

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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Form 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)  
----- OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 1997  
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TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
----- OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-10235  
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-----  
IDEX Corporation

-----  
(Exact name of registrant as specified in its charter)

-----  
Delaware

-----  
36-3555336

-----  
State or other jurisdiction of  
Incorporation or Organization

-----  
(I.R.S. Employer  
Identification No.)

-----  
630 Dundee Road  
Northbrook, Illinois

-----  
60062

-----  
(Address of principal  
Executive Offices)

-----  
(Zip Code)

-----  
Registrant's telephone number, including area code (847) 498-7070

-----  
Former name, former address and former fiscal year, if changed since last  
report.

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes X No  
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Number of shares of common stock of IDEX Corporation ("IDEX" or the "Company")  
outstanding as of April 29, 1997: 29,170,699 shares.

Documents Incorporated by Reference: None.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

IDEX CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(in thousands except share and per share amounts)

	March 31, 1997	December 31, 1996
	-----	-----
	(unaudited)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents . . . . .	\$ 4,220	\$ 5,295
Receivables - net . . . . .	90,483	91,200
Inventories . . . . .	97,158	97,516
Deferred taxes . . . . .	1,984	4,835
Other current assets . . . . .	4,010	2,324
	-----	-----
Total current assets . . . . .	197,855	201,170
Property, plant and equipment - net . . . . .	99,491	102,383
Intangible assets - net . . . . .	267,663	274,511
Other non current assets . . . . .	6,889	5,709
	-----	-----
Total assets . . . . .	\$571,898	\$583,773
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Trade accounts payable . . . . .	\$ 42,026	\$ 40,670
Dividends payable . . . . .	3,513	3,471
Accrued expenses . . . . .	42,687	48,716
	-----	-----
Total current liabilities . . . . .	88,226	92,857
Long-term debt . . . . .	256,286	271,709
Other non current liabilities . . . . .	24,475	23,698
	-----	-----
Total liabilities . . . . .	368,987	388,264
	-----	-----
Shareholders' equity		
Common stock, par value \$.01 per share		
Shares authorized		
1997 and 1996 - 75,000,000		
Shares issued and outstanding		
1997 - 29,165,074; 1996 - 28,925,867 . . . . .	292	289
Additional paid-in capital . . . . .	89,091	89,657
Retained earnings . . . . .	115,120	105,238
Minimum pension liability adjustment . . . . .	(632)	
Accumulated translation adjustment . . . . .	(960)	325
	-----	-----
Total shareholders' equity . . . . .	202,911	195,509
	-----	-----
Total liabilities and shareholders' equity . . . . .	\$571,898	\$583,773
	=====	=====

See Notes to Consolidated Financial Statements

IDEX CORPORATION AND SUBSIDIARIES  
 STATEMENTS OF CONSOLIDATED OPERATIONS  
 (in thousands except per share amounts)

For the three months ended March 31,	1997 ----- (unaudited)	1996 -----
Net sales . . . . .	\$151,839	\$133,886
Cost of sales . . . . .	92,928	82,222
Gross profit . . . . .	58,911	51,664
Selling, general and administrative expenses . . . . .	30,739	27,016
Goodwill amortization . . . . .	1,910	1,232
Income from operations . . . . .	26,262	23,416
Other income (expense) net . . . . .	(137)	43
Income before interest expense and income taxes . . . . .	26,125	23,459
Interest expense . . . . .	5,010	4,225
Income before income taxes . . . . .	21,115	19,234
Provision for income taxes . . . . .	7,720	7,020
Net income . . . . .	\$ 13,395 =====	\$ 12,214 =====
Earnings per common share . . . . .	\$ .45 =====	\$ .41 =====
Weighted average common shares outstanding . . . . .	29,809 =====	29,726 =====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES  
STATEMENT OF CONSOLIDATED SHAREHOLDERS' EQUITY  
(in thousands except per share amounts)

	Common Stock & Additional Paid-In Capital	Retained Earnings	Minimum Pension Liability Adjustment	Accumulated Translation Adjustment	Total Shareholders' Equity
	-----	-----	-----	-----	-----
Balance, December 31, 1996.....	\$ 89,946	\$105,238		\$ 325	\$ 195,509
Issuance of 245,425 shares of common stock from exercise of stock options net of stock options surrendered.....	(563)				(563)
Minimum pension liability adjustment.....			\$ (632)		(632)
Unrealized translation adjustment.....				(1,285)	(1,285)
Cash dividends declared on common stock (\$.12 per share).....		(3,513)			(3,513)
Net income.....		13,395			13,395
Balance, March 31, 1997 (unaudited).....	\$ 89,383	\$115,120	\$ (632)	\$ (960)	\$ 202,911
	=====	=====	=====	=====	=====

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES  
STATEMENTS OF CONSOLIDATED CASH FLOWS  
(in thousands)

For the three months ended March 31,	1997 ----- (unaudited)	1996 -----
Cash flows from operating activities:		
Net income . . . . .	\$ 13,395	\$ 12,214
Adjustments to reconcile net income to net cash flows from operating activities		
Depreciation and amortization . . . . .	4,192	3,486
Amortization of intangibles . . . . .	2,375	1,704
Amortization of debt issuance expenses . . . . .	162	150
Deferred income taxes . . . . .	2,102	399
(Increase) decrease in receivables . . . . .	717	( 2,278)
Decrease in inventories . . . . .	358	1,558
Increase (decrease) in trade accounts payable . . . . .	1,356	( 3,543)
Decrease in accrued expenses . . . . .	( 5,979)	( 372)
Other transactions - net . . . . .	2,142	( 772)
Net cash flows from operating activities . . . . .	20,820	12,546
Cash flows from investing activities:		
Additions to property, plant and equipment . . . . .	( 3,001)	( 2,689)
Net cash flows from investing activities . . . . .	( 3,001)	( 2,689)
Cash flows from financing activities:		
Dividends paid . . . . .	( 3,471)	( 3,061)
Net repayments under the credit agreements . . . . .	( 13,456)	( 3,268)
Decrease in accrued interest . . . . .	( 1,967)	( 1,809)
Net cash flows from financing activities . . . . .	( 18,894)	( 8,138)
Net increase (decrease) in cash . . . . .	( 1,075)	1,719
Cash and cash equivalents at beginning of period . . . . .	5,295	5,937
Cash and cash equivalents at end of period . . . . .	\$ 4,220	\$ 7,656
	=====	=====

Supplemental Cash Flow Information  
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Cash paid during the period for:		
Interest . . . . .	\$ 6,816	\$ 5,479
Income taxes . . . . .	1,613	2,859

See Notes to Consolidated Financial Statements.

IDEX CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business

IDEX Corporation ("IDEX" or the "Company") is a manufacturer of a wide array of proprietary, engineered industrial products sold to a diverse customer base in a variety of industries in the U.S. and internationally. Its products include industrial pumps and controls; fire-fighting pumps and rescue equipment; dispensing and mixing equipment; stainless steel banding, clamping and sign-mounting devices; sheet metal fabricating equipment and tooling; automatic lubrication systems; small-horsepower compressors; and energy absorption equipment. These activities are grouped into two business segments: Fluid Handling and Industrial Products.

2. Significant Accounting Policies

In the opinion of management, the unaudited information presented as of March 31, 1997 and for the three months ended March 31, 1997 and 1996 reflects all adjustments necessary, which consist only of normal recurring adjustments, for a fair presentation of the interim periods. Certain previously reported amounts have been reclassified to conform to the current presentation format.

Earnings per common share (EPS) are computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Common stock equivalents, in the form of stock options, have been included in the calculation of weighted average shares outstanding using the treasury stock method. All share and per share data have been restated for the three-for-two stock split effected in the form of a 50% stock dividend in January 1997.

In February 1997 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share," effective December 15, 1997 and superseding Accounting Principles Board Opinion No. 15. This statement replaces primary EPS with basic EPS. Basic EPS is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted EPS, formerly fully diluted EPS, must be presented in all cases with basic EPS. Had SFAS No. 128 been effective for the periods ending March 31, 1997 and 1996, EPS for the Company would have been as follows:

	1997 ----	1996 ----
	(unaudited)	
Net income . . . . .	\$ 13,395	\$ 12,214
Weighted average common shares outstanding . . . . .	29,178	28,709
Basic EPS . . . . .	\$ .46	\$ .43
Weighted average common shares outstanding . . . . .	29,178	28,709
Weighted average stock options outstanding . . . . .	631	1,017
	-----	-----
Total weighted average shares outstanding . . . . .	29,809	29,726
Diluted EPS . . . . .	\$ .45	\$ .41

3. Inventories

The components of inventories as of March 31, 1997 and December 31, 1996 were (000's omitted):

	March 31, 1997 -----	December 31, 1996 -----
	(unaudited)	
Raw materials . . . . .	\$ 18,166	\$ 18,351
Work in process . . . . .	16,474	14,909
Finished goods . . . . .	62,518	64,256
	-----	-----
Total . . . . .	\$ 97,158	\$ 97,516
	=====	=====

Those inventories which were carried on a LIFO basis amounted to \$60,583 and \$62,068 at March 31, 1997 and December 31, 1996, respectively. The excess of current cost over LIFO inventory value and the impact on earnings of using the LIFO method are not material.

4. Common and Preferred Stock

The Company had five million shares of preferred stock authorized but unissued at March 31, 1997 and December 31, 1996.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Historical Overview and Outlook

IDEX sells a broad range of proprietary fluid handling and industrial products to a diverse customer base in the U.S. and, to an increasing extent, internationally. Accordingly, IDEX's businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where its products are sold and by the relationship of the U.S. dollar to other currencies. Among the factors that affect the demand for IDEX's products are interest rates, levels of capital spending in certain industries, and overall industrial growth.

IDEX has a history of strong operating margins. The Company's operating margins are impacted by, among other things, utilization of facilities as sales volumes change, and inclusion of newly acquired businesses which may have lower margins that could be further affected by purchase accounting adjustments.

IDEX's orders, sales, net income and earnings per share in the first quarter of 1997 were the highest of any first quarter in its history. The business pace has been steady at a high level. Incoming orders in the first quarter were \$159.2 million and exceeded shipments by \$7.4 million. First quarter orders increased by about 3% from the 1996 fourth quarter rate, and excluding orders at Fluid Management, were equivalent to the first quarter 1996 rate. Order improvements over last year in the company's pump businesses were offset by order declines in capital goods-related businesses. IDEX continues to run with relatively low backlogs of unfilled orders.

The following forward-looking statements are qualified by the cautionary statement under the Private Securities Litigation Reform Act set forth below. IDEX continues to expect to set new records in sales, net income and earnings per share in 1997, barring unforeseen circumstances. Activity levels in the U.S. are expected to continue at a good rate, and IDEX's international focus, the integration of its recent acquisitions, and its strong cash flow - which will be used to cut debt and interest expense or to make acquisitions, are among the factors that should contribute to growth in 1997 and beyond.

Cautionary Statement Under the Private Securities Litigation Reform Act

Demand for the Company's products is cyclical in nature and subject to changes in general market conditions that affect demand. The Company's customers operate primarily in industries that are rapidly impacted by changes in economic conditions, which in turn can influence orders. The Company operates without significant order backlogs. As a result, economic slowdowns could quickly have an adverse effect on the Company's performance. In addition, the Company's operating forecasts and budgets are based upon detailed assumptions which it believes are reasonable, but inherent difficulties in predicting the impact of certain factors may cause actual results to differ materially from the forward- looking statements set forth in this discussion and analysis section. These factors include but are not limited to the following: the Company's utilization of its capacity and the impact of capacity utilization on costs; developments with respect to contingencies such as environmental matters and litigation; labor market conditions and raw materials costs; levels of industrial activity and economic conditions in the U.S. and other countries around the world; and levels of capital spending in certain industries, all of which have a material influence on order rates; the relationship of the U.S. dollar to other currencies; interest rates; the Company's ability to integrate and operate acquired businesses on a profitable basis; and other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission.

Company and Business Group Financial Information  
(000's omitted)

For the three months ended March 31,

	1997 (1)	1996
	(unaudited)	
<b>Fluid Handling Group</b>		
Net sales (2)	\$117,699	\$ 96,617
Income from operations (3)	23,115	19,793
Operating margin	19.6%	20.5%
Depreciation and amortization	\$ 5,608	\$ 4,303
Capital expenditures	2,269	1,330
<b>Industrial Products Group</b>		
Net sales (2)	\$ 34,225	\$ 37,328
Income from operations (3)	5,568	5,880
Operating margin	16.3%	15.8%
Depreciation and amortization	\$ 914	\$ 851
Capital expenditures	727	1,340
<b>Company</b>		
Net sales	\$151,839	\$133,886
Income from operations	26,262	23,416
Operating margin	17.3%	17.5%
Depreciation and amortization (4)	\$ 6,567	\$ 5,190
Capital expenditures	3,001	2,689

- (1) Includes acquisition of Fluid Management (July 29, 1996) in the Fluid Handling Group.
- (2) Group net sales include intersegment sales.
- (3) Group income from operations excludes net unallocated corporate operating expenses.
- (4) Excludes amortization of debt issuance expenses.

## Results of Operations

For purposes of this discussion and analysis section, reference is made to the table on the preceding page and the Company's Statements of Consolidated Operations included in the Financial Statements section. IDEX consists of two business segments: Fluid Handling and Industrial Products.

## Performance in the Three Months Ended March 31, 1997 Compared to 1996

Net sales for the three months ended March 31, 1997 of \$151.8 million increased by 13% over \$133.9 million in the same period last year. The sales increase was due to the inclusion of Fluid Management (acquired in July 1996) in this year's results. Net income of \$13.4 million in the first quarter of 1997 rose by 10% over the \$12.2 million in 1996's first quarter. Earnings per share of \$.45 in this year's first quarter rose by 10% over the \$.41 earned in last year's first three months.

In the first quarter of 1997, the Fluid Handling Group generated 77% of sales and 81% of profits, and the Industrial Products Group contributed 23% of sales and 19% of profits. International sales accounted for 39% of total sales in the first three months of 1997, versus 38% in the same period of 1996.

Fluid Handling Group sales of \$117.7 million increased by \$21.1 million, or 22%, due to the inclusion of the recently acquired Fluid Management operation in this year's first quarter results. Sales outside the U.S. increased to 39% of total Fluid Handling Group sales in the first quarter of 1997 from 38% in the comparable 1996 period. Sales of \$34.2 million in the Industrial Products Group in the first three months of 1997 decreased \$3.1 million or 8%, from \$37.3 million recorded in the same quarter of last year due to lower activity levels in the capital goods-related businesses. Shipments outside the U.S. were 38% of total sales in the Industrial Products Group in the first quarter of 1997, up from 37% in the comparable 1996 period.

Gross profit of \$58.9 million in the first quarter of 1997 increased \$7.2 million, or 14%, from the comparable period of 1996. Gross profit as a percent to sales was 38.8% in the 1997 period, up slightly from 38.6% in last year's first quarter. Selling, general and administrative (SG & A) expenses of \$30.7 million in 1997's first quarter increased 14% from \$27.0 million in the first three months of 1996. As a percentage of sales, these expenses were unchanged at 20.2% in both periods. Goodwill amortization increased 55% to \$1.9 million in the first three months of 1997 from \$1.2 million in the comparable prior year period and as a percent of sales, increased to 1.3% from .9%. The year over year increases in gross profit, SG & A expenses and goodwill amortization were largely attributable to the inclusion of Fluid Management which was acquired in July 1996.

Income from operations increased \$2.9 million, or 12%, to \$26.3 million in the three months ended March 31, 1997, from \$23.4 million in 1996's first quarter. Overall operating margins remained very healthy at 17.3% of sales and were close to the 17.5% margins recorded in the first quarter of 1996. While first quarter 1997 operating margins in IDEX's base Fluid Handling businesses improved somewhat over the first quarter of last year, including Fluid Management in this year's results caused operating margins for the group to slip slightly from 20.5% last year to 19.6% this year. Industrial Products margins improved from 15.8% last year to 16.3% this year.

Interest expense increased to \$5.0 million in the first quarter of 1997 from \$4.2 million in the same period of 1996 because of additional borrowings under the U.S. credit agreement to complete the July 1996 acquisition of Fluid Management.

The provision for income taxes increased to \$7.7 million in the three months ended March 31, 1997, from \$7.0 million in the comparable 1996 period. The effective tax rate was essentially unchanged at 36.6% in the 1997 period compared to 36.5% in 1996's first quarter.

Net income of \$13.4 million in the first quarter of 1997 was 10% higher than net income of \$12.2 million in same period of 1996. Earnings per share amounted to \$.45 in 1997's first quarter, which was 10% higher than the \$.41 recorded in the first quarter of 1996.

All share and per share data have been restated to reflect the three-for-two stock split effected in the form of a 50% stock dividend paid on January 31, 1997.

## Liquidity and Capital Resources

At March 31, 1997, IDEX's working capital was \$110 million and its current ratio was 2.2 to 1. Internally generated funds were adequate to fund capital expenditures of \$3.0 million and \$2.7 million, and dividends on common stock of \$3.5 million and \$3.1 million, for the three months ended March 31, 1997 and 1996, respectively. The capital expenditures were generally for machinery and equipment which improved productivity, although a portion was for repair and replacement of equipment and facilities. Management believes that IDEX has ample capacity in its plant and equipment to meet any intermediate term needs for future growth as well as expected needs in the long term. During the three months ended March 31, 1997 and 1996, depreciation and amortization expense, excluding amortization of debt issuance expenses, was \$6.6 million and \$5.2 million, respectively.

At March 31, 1997, the maximum amount available under the multi-currency amended U.S. credit agreement was \$250 million, of which \$148.5 million was borrowed, including a Netherlands guilder borrowing of 82.0 million (\$43.5 million) which provides an economic hedge against the net investment in Fluid Management's Netherlands operation. The availability under this facility declines in stages commencing July 1, 1999, to \$200 million on July 1, 2000. Any amount outstanding at July 1, 2001 becomes due at that date. Interest is payable quarterly on the outstanding balance at the bank agent's reference rate or at LIBOR plus an applicable margin. At March 31, 1997, the applicable margin was 50 basis points. The Company also has a \$10 million demand line of credit available for short-term borrowing requirements at the bank agent's reference rate or at an optional rate based on the bank's cost of funds. At March 31, 1997, there was \$1.0 million borrowed under this short-term line of credit.

At March 31, 1997, the maximum amount available under the German credit agreement was DM 52.5 million (\$31.1 million), of which DM 50.0 (\$29.6 million) was being used. The borrowing provides an economic hedge against the net investment in the Lukas operation. The availability under this agreement declines in stages commencing November 1, 1997, to DM 31.3 million at November 1, 2000. Any amount outstanding at November 1, 2001, becomes due at that date. Interest is payable quarterly on the outstanding balance at LIBOR plus 100 basis points.

IDEX believes it will generate sufficient cash flow from operations in 1997 to meet its operating requirements, interest and scheduled amortization payments under both the amended U.S. credit agreement and the German credit agreement, interest and principal payments on the Senior Subordinated Notes, approximately \$20 million of planned capital expenditures and approximately \$14 million of annual dividend payments to holders of common stock. From commencement of operations in January 1988 until March 31, 1997, IDEX has borrowed \$410 million under the credit agreements to complete 10 acquisitions. During this same period, IDEX generated, principally from operations, cash flow of \$320 million to reduce its indebtedness. In the event that suitable businesses or assets are available for acquisition by IDEX upon terms acceptable to the Board of Directors, IDEX may obtain all or a portion of the financing for the acquisitions through the incurrence of additional long-term indebtedness.

On April 4, 1997, IDEX acquired Terry Harrison Holdings, Ltd. of Washington, Tyne & Wear, England. This company, with annual sales in the \$8 million range, produces Blagdon air-operated diaphragm pumps. The business will continue to produce and sell products from its U.K. location under the Blagdon name but will be operated as a part of IDEX's Warren Rupp business unit. The acquisition, which is not material to IDEX, will be accounted for using the purchase method of accounting and has been financed through a borrowing under the amended U.S. credit agreement and the issuance of loan notes to the sellers.

## PART II. OTHER INFORMATION

- Item 1. Legal Proceedings. None.
- Item 2. Changes in Securities. Not Applicable.
- Item 3. Defaults upon Senior Securities. None.
- Item 4. Submission of Matters to a Vote of Security Holders. None.
- Item 5. Other Information.
- Item 6. Exhibits and Reports on Form 8-K
- (a) Exhibits
- The exhibits listed in the accompanying "Exhibit Index" are filed as part of this report.
- (b) Reports on Form 8-K
- There have been no reports on Form 8-K filed during the quarter for which this report is filed.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized in the capacity and on the date indicated.

IDEX CORPORATION

May 9, 1997

/s/Wayne P. Sayatovic

-----  
Wayne P. Sayatovic  
Senior Vice President -  
Finance, Chief Financial  
Officer and Secretary  
(Duly Authorized and Principal  
Financial Officer)

## EXHIBIT INDEX

Exhibit Number -----	Description -----	Page -----
3.1	Restated Certificate of Incorporation of IDEX (formerly HI, Inc.) (incorporated by reference to Exhibit No. 3.1 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on April 21, 1988).	
3.1(a)	Amendment to Restated Certificate of Incorporation of IDEX (formerly HI, Inc.), as amended (incorporated by reference to Exhibit No. 3.1(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1997, Commission File No. 1-10235).	
3.2	Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2 to Post-Effective Amendment No. 2 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on July 17, 1989).	
3.2(a)	Amended and Restated Article III, Section 13 of the Amended and Restated By-Laws of IDEX (incorporated by reference to Exhibit No. 3.2(a) to Post-Effective Amendment No. 3 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on February 12, 1990).	
4.1	Restated Certificate of Incorporation and By-Laws of IDEX (filed as Exhibits No. 3.1 through No. 3.2(a)).	
4.2	Indenture, dated as of September 15, 1992, among IDEX, the Subsidiaries and Fleet National Bank of Connecticut, as Trustee, relating to the 9-3/4% Senior Subordinated Notes of IDEX due 2002 (incorporated by reference to Exhibit No. 4.2 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
4.2(a)	First Supplemental Indenture dated as of December 22, 1995, among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(a) to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1995, Commission File No. 1-10235).	
4.2(b)	Second Supplemental Indenture dated as of July 29, 1996, among IDEX and the Subsidiaries named therein and Fleet National Bank of Connecticut, a national banking association, as trustee (incorporated by reference to Exhibit No. 4.2(b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.3	Specimen Senior Subordinated Note of IDEX (including specimen Guarantee) (incorporated by reference to Exhibit No. 4.3 to the Annual Report of IDEX on Form 10-K for the year ending December 31, 1992, Commission File No. 1-10235).	
4.4	Specimen Certificate of Common Stock (incorporated by reference to Exhibit No. 4.3 to the Registration Statement on Form S-2 of IDEX Corporation, et al., Registration No. 33-42208, as filed on September 16, 1991).	
4.5	Third Amended and Restated Credit Agreement dated as of July 17, 1996, among IDEX, Bank of America Illinois, as Agent, and other financial institutions named therein (incorporated by reference to Exhibit No. 4.5 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
*4.5(a)	First Amendment to the Third Amended and Restated Credit Agreement dated as of April 15, 1997, among IDEX, Bank of America Illinois, as Agent, and other financial institutions named therein.	

Exhibit Number -----	Description -----	Page ----
4.6	Amended and Restated Pledge Agreement dated as of July 17, 1996, by IDEX in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.6 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.6(a)	Supplement No. 1 to the Amended and Restated Pledge Agreement dated as of August 5, 1996, by IDEX in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.6(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7	Amended and Restated Subsidiary Guaranty Agreement dated as of July 17, 1996, by the Subsidiaries named therein in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7(a)	Supplement No. 1 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996, by FMI Management Company in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.7(b)	Supplement No. 2 to the Amended and Restated Subsidiary Guaranty Agreement dated as of August 5, 1996, by Fluid Management, Inc. in favor of the Agent and Banks (incorporated by reference to Exhibit No. 4.7(b) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
4.8	Registration Rights Agreement dated as of July 26, 1996, between IDEX and Mitchell H. Saranow (incorporated by reference to Exhibit No. 4.8 to the Quarterly Report of IDEX on Form 10-Q for the quarter ended June 30, 1996, Commission File No. 1-10235).	
*10.1 **	Amended and Restated Employment Agreement between IDEX Corporation and Donald N. Boyce, dated as of November 22, 1996.	
*10.2 **	Amended and Restated Employment Agreement between IDEX Corporation and Wayne P. Sayatovic, dated as of November 22, 1996.	
*10.3 **	Amended and Restated Employment Agreement between IDEX Corporation and Frank J. Hansen, dated as of November 22, 1996.	
*10.4 **	Amended and Restated Employment Agreement between IDEX Corporation and Jerry N. Derck, dated as of November 22, 1996.	
**10.5	Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.21 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	
**10.5(a)	Amended Management Incentive Compensation Plan (incorporated by reference to Exhibit No. 10.9(a) to the Quarterly Report of IDEX on Form 10-Q for the quarter ended March 31, 1996, Commission File No. 1-10235).	
**10.6	Form of Indemnification Agreement (incorporated by reference to Exhibit No. 10.23 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on April 26, 1989).	
**10.7	Form of Shareholder Purchase and Sale Agreement (incorporated by reference to Exhibit No. 10.24 to Amendment No. 1 to the Registration Statement on Form S-1 of IDEX Corporation, Registration No. 33-28317, as filed on June 1, 1989).	

Exhibit Number -----	Description -----	Page ----
**10.8	Revised Form of IDEX Corporation Stock Option Plan for Outside Directors (incorporated by reference to Exhibit No. 10.22 to Post-Effective Amendment No. 4 to the Registration Statement on Form S-1 of IDEX Corporation, et al., Registration No. 33-21205, as filed on March 2, 1990).	
**10.9	Amendment to the IDEX Corporation Stock Option Plan for Outside Directors adopted by resolution to the Board of Directors dated as of January 28, 1992 (incorporated by reference to Exhibit No. 10.21(a) of the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-10235).	
**10.10	Non-Qualified Stock Option Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 10.15 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.10(a)	1996 Stock Plan for Non-Officer Key Employees of IDEX Corporation (incorporated by reference to Exhibit No. 4.5 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.11	Non-Qualified Stock Option Plan for Officers of IDEX Corporation (incorporated by reference to Exhibit No. 10.16 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.12	IDEX Corporation Supplemental Executive Retirement Plan (incorporated by reference to Exhibit No. 10.17 to the Annual Report of IDEX on Form 10-K for the year ended December 31, 1992, Commission File No. 1-102351).	
**10.13	1996 Stock Plan for Officers of IDEX (incorporated by reference to Exhibit No. 4.4 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.14	Amended and Restated IDEX Corporation Directors Deferred Compensation Plan, as amended (incorporated by reference to Exhibit No. 4.6 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.15	IDEX Corporation 1996 Deferred Compensation Plan for Officers, as amended (incorporated by reference to Exhibit No. 4.8 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
**10.16	IDEX Corporation 1996 Deferred Compensation Plan for Non-Officer Presidents, as amended (incorporated by reference to Exhibit No. 4.7 to the Registration Statement on Form S-8 of IDEX, Registration No. 333-18643, as filed on December 23, 1996).	
10.17	Asset Purchase Agreement dated July 26, 1996 between IDEX and Fluid Management Limited Partnership, Fluid Management U.S., L.L.C., Fluid Management Service, Inc., Fluid Management Canada, LLC, Fluid Management France, SNC, FM International, Inc., Fluid Management Europe B.U. (incorporated by reference to Exhibit No. 2.1 to the Quarterly Report of IDEX on Form 10-Q for the Quarter ended June 30, 1996, Commission File No. 1-10235).	
*27	Financial Data Schedule.	
	Revolving Credit Facility, dated as of September 29, 1995, between Dunja Verwaltungsgesellschaft GmbH and Bank of America NT & SA, Frankfurt Branch (a copy of the agreement will be furnished to the Commission upon request).	

\*Filed herewith.

\*\*Management contract or compensatory plan or arrangement.

FIRST AMENDMENT TO  
THIRD AMENDED AND RESTATED CREDIT AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") is entered into as of April \_\_\_\_, 1997, among IDEX Corporation, a Delaware corporation (the "Company"), the several financial institutions from time to time party to the Credit Agreement (as defined herein) (collectively, the "Banks"; individually, a "Bank"), and Bank of America Illinois, as agent for the Banks.

BACKGROUND

WHEREAS, the Company, the Banks and the Agent have entered into that certain Third Amended and Restated Credit Agreement dated as of July 17, 1996 (as the same may be further amended or modified from time to time, the "Credit Agreement") and the Loan Documents referred to in the Credit Agreement;

WHEREAS, the Company, the Banks and the Agent have determined that the Credit Agreement should be amended in certain respects and to make certain other changes agreed to by the parties.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Credit Agreement.

2. Certain Amendments to Credit Agreement. The Credit Agreement is hereby amended, effective on the date this Amendment becomes effective in accordance with Section 4 hereof, as follows:

2.1 Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in their proper alphabetical order:

"Domestic EBITDA" means EBITDA less Foreign EBITDA and less any other portion of EBITDA derived by the Company or its Subsidiaries from any assets located outside the United States.

"Foreign EBITDA" means, for any period, for the Foreign Subsidiaries and their Subsidiaries on a consolidated basis (as if one corporation), determined in accordance with GAAP, the sum of (a) Consolidated Net Income of such Persons for such period plus (b) all amounts treated as expenses for interest to the extent included in the determination of such Consolidated Net Income plus (c) all accrued taxes on or measured by income to the extent included in the determination of such Consolidated Net Income plus (d) all amounts treated as expenses for depreciation or the amortization of intangibles of any kind to the extent included in the determination of Consolidated Net Income.

2.2 Section 8.04(n), clause 3 of the Credit Agreement is hereby deleted in its entirety and amended to read as follows:

"(3) if the Person to be acquired would be a Material Subsidiary of the Company upon completion of the Acquisition or if the assets to be acquired have a net book value in excess of 5% of the consolidated total assets of the Company, based upon the Company's most recent annual or quarterly financial statements delivered to the Agent under Section 7.01, then not less than 10 days prior to the consummation of such Acquisition, the Company shall provide to the Agent annual financial statements (audited, if available) and unaudited interim financial statements for such Person, pro forma financial projections for such Person and for the Company on a consolidated basis giving effect to such Acquisition, all in such detail as shall be reasonably satisfactory to the Agent,"

2.3 Section 8.15 of the Credit Agreement is hereby deleted in its entirety and amended to read as follows:

"8.15 Foreign Operations. The Company shall generate Domestic EBITDA equal to or in excess of \$75,000,000 and maintain total assets in the United States equal to or in excess of \$300,000,000.

3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective upon the satisfaction of the following conditions:

3.1 Executed Amendment. Receipt by the Agent of duly executed counterparts of this Amendment from the Company and the Banks; and

3.2 Miscellaneous. Receipt by the Agent of such other documents, certificates, instruments or opinions as may reasonably be requested by it.

4. Certain Representations and Warranties by the Company. In order to induce the Banks and the Agent to enter into this Amendment, the Company represents and warrants to the Banks and the Agent that:

4.1 Authority. The Company has the right, power and capacity and has been duly authorized and empowered by all requisite corporate and shareholder action to enter into, execute, deliver and perform this Amendment and the Credit Agreement as amended hereby.

4.2 Validity. This Amendment and the Credit Agreement as amended hereby have each been duly and validly executed and delivered by the Company and constitutes its legal, valid and binding obligations, enforceable against the Company in accordance with its respective terms, except as enforcement thereof may be subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether such enforcement is sought in a proceeding in equity or at law or otherwise).

4.3 No Conflicts. The Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby does not and will not violate its Certificates or Articles of Incorporation or Bylaws, any law, rule, regulation, order, writ, judgment, decree or award applicable to the Company or any contractual provision to which the Company is party or to which the Company or any of its Subsidiaries are subject.

4.4 Approvals. No authorization or approval or other action by, and no notice to or filing or registration with, any Governmental Authority or regulatory body (other than those which have been obtained and are in force and effect) is required in connection with the Company's execution, delivery and performance of this Amendment and the Credit Agreement as amended hereby.

4.5 Incorporated Representations and Warranties. All representations and warranties contained in the Loan Documents are true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date hereof and the effective date hereof, except as to any representations or warranties which expressly relate to an earlier date, in which event, such representations and warranties are true as of such date.

4.6 No Defaults. No Default or Event of Default exists as of the date hereof or will exist after giving effect to this Amendment.

5. Miscellaneous. The parties hereto hereby further agree as follows:

5.1 Further Assurances. Each of the parties hereto hereby agrees to do such further acts and things and to execute, deliver and acknowledge such additional agreements, powers and instruments as any other party hereto may reasonably require to carry into effect the purposes of this Amendment and the Credit Agreement as amended hereby.

5.2 Counterparts. This Amendment may be executed in one or more counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same document with the same force and effect as if the signatures of all of the parties were on a single counterpart, and it shall not be necessary in making proof of this Amendment to produce more than one such counterpart.

5.3 Headings. Headings used in this Amendment are for convenience of reference only and shall not affect the construction of this Amendment.

5.4 Integration. This Amendment and the Loan Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and thereof.

5.5 Governing Law. THIS AMENDMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF ILLINOIS, AND FOR ALL PURPOSES SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF SAID STATE,

WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

5.6 Binding Effect. This Amendment shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns; provided, however, that the Company may not assign or transfer its rights, interests or obligations hereunder without the prior written consent of the Agent and all of the Banks. Except as expressly set forth to the contrary herein, this Amendment shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Amendment and their respective successors and permitted assigns.

5.7 Amendment; Waiver; Reaffirmation of Loan Documents. The parties hereto agree and acknowledge that nothing contained in this Amendment in any manner or respect limits or terminates any of the provisions of the Credit Agreement or the other Loan Documents other than as expressly set forth herein and further agree and acknowledge that the Credit Agreement and each of the other Loan Documents remain and continue in full force and effect and are hereby ratified and reaffirmed in all respects. No delay on the part of any Bank or the Agent in exercising any of their respective rights, remedies, powers and privileges under the Credit Agreement or any of the other Loan Documents or partial or single exercise thereof, shall constitute a waiver thereof. none of the terms and conditions of this amendment may be changed, waived, modified or varied in any manner, whatsoever, except in accordance with Section 11.01 of the Credit Agreement.

5.8 Reference to and Effect on the Credit Agreement and the other Loan Documents. Upon the effectiveness hereof, each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import referring to the Credit Agreement and each reference in the other Loan Documents to the "Credit Agreement," "thereunder," "thereof," or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment. The Credit Agreement shall be deemed to be amended wherever and as necessary to reflect the foregoing amendments.

[signature page follows]

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered as of the date first above written.

IDEX CORPORATION

By: /s/ Douglas C. Lemos

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Douglas C. Lemos

Title: Treasurer

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Copy to:  
Kohlberg Kravis Roberts & Co.  
9 West 57th Street  
New York, NY 10019  
Attention: Michael T. Tokarz

BANK OF AMERICA ILLINOIS, AS AGENT

By: /s/ David L. Graham

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David L. Graham

Title: Vice President

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BANK OF AMERICA ILLINOIS, AS A BANK

By: /s/ Randolph T. Kohler  
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          Randolph T. Kohler

Title: Senior Vice President  
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BANK OF SCOTLAND

By: /s/ Annie Chin Tat

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Annie Chin Tat

Title: Assistant Vice President

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NATIONAL CITY BANK

By: /s/ Brian J. Cullina

-----  
Brian J. Cullina

Title: Vice President  
-----

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Karen C. Broz  
-----  
Karen C. Broz

Title: Commercial Banking Officer  
-----

UNION BANK OF CALIFORNIA, N.A.,  
(SUCCESSOR IN INTEREST TO UNION BANK)

By: /s/ Cary Moore  
-----  
Cary Moore

Title: Credit Officer Vice President  
-----

UNITED STATES NATIONAL BANK  
OF OREGON

By: /s/ Monica J. Treacy  
-----  
Monica J. Treacy

Title: Assistant Vice President  
-----

THE HARRIS TRUST AND SAVINGS  
BANK CO.

By: /s/

-----  
Title: Vice President  
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AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT  
BETWEEN  
IDEX CORPORATION  
AND  
DONALD N. BOYCE

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT

THIS AGREEMENT made as of the 22nd day of November, 1996, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 (the "Corporation"), and DONALD N. BOYCE, residing at 1251 N. Sheridan Road, Lake Forest, Illinois 60045 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of January 22, 1988 (the "Effective Date") and executed on May 30, 1989 and subsequently amended as of January 13, 1993 and as of September 27, 1994. The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as President of Houdaille industries, Inc. ("Houdaille") under an employment agreement dated August 1, 1986 (the "Houdaille Employment Agreement"). The Corporation purchased from Houdaille all of the shares of stock of all of the active subsidiaries of Houdaille other than John Crane-Houdaille, Inc. (the "NonCrane Subsidiaries") on January 22, 1988 and desires to secure the services of the Executive until at least January 22, 1993 (such date is sometimes hereinafter referred to as the "Initial Expiration Date"), on the terms and conditions as

provided in this Agreement. This Agreement amends and restates in its entirety all previous employment agreements made between the Executive and the Corporation. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. The Corporation agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by the Corporation, as Chairman of the Board, President and the Chief Executive Officer of the Corporation, in full charge of the operation of its business and affairs, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the Board of Directors to the Chairman of the Board, President and Chief Executive Officer and subject also at all times to the control of the Board of Directors of the Corporation.

Subject to yearly election by the Board of Directors in the exercise of its judgment, it is nevertheless contemplated that the Executive will continue to be elected to the positions of Chairman of the Board and President and Chief Executive Officer. The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency or duration as would necessitate, in the

reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area.

3. Executive's obligations; vacations; automobile: relocation. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Board of Directors of the Corporation. With the approval of the Board of Directors of the Corporation, the Executive may also become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take five weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at the time; provided, however, that at no time shall the policy of the Corporation be materially less generous than the policy of the Corporation in effect as of January 1, 1996.

4. Compensation.

4(a). Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at

the rate of \$445,000 per year commencing as of January 1, 1997, payable in equal monthly installments, and continuing during the period of his full-time service hereunder; provided, however, that the Board of Directors of the Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

4(b). Bonus. The Executive shall be entitled to receive an annual cash bonus from the Corporation calculated pursuant to the Corporation's management incentive compensation program in effect from time to time, but not in an amount less than would result if such bonus were calculated pursuant to the Corporation's management incentive compensation program in effect on January 1, 1996. The Board of Directors of the Corporation, in its discretion, may award bonuses to the Executive in addition to those provided for above, as it may from time to time determine. The Target Incentive Amount for the Executive with respect to any calculation of bonus shall be at least 80% of his base salary as of the end of the fiscal period of the Corporation for which the bonus is calculated.

#### 5. Period of Service and Benefits.

5(a) . Period of full-time service. Subject to the provisions of Section 5(b), the period of full-time service of the Executive under this Agreement shall continue to the Initial Expiration Date, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate the full-time service of the Executive hereunder by delivering written notice of termination to the Executive at least 3 months prior to the effective date of such termination, or the Executive may resign and terminate his full-time service hereunder at any time (i) after the Initial Expiration Date, (ii) if the Corporation does not appoint (at the time provided in Section 2) and retain him thereafter in the positions of Chairman of the Board and President and Chief Executive Officer, or (iii) in the event of an Acquisition (as defined in Section 8(a)), liquidation or dissolution of the Corporation, by delivering written notice of his intention to resign to the Corporation at least 3 months prior to the effective date of such resignation; provided, however, that with regard to clause (iii) above, any resignation of the Executive within 24 months following an Acquisition shall be deemed to be a resignation in connection with such Acquisition.

In the event of termination of the Executive by the Corporation or upon his resignation as permitted in the preceding paragraph, as the case may be, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination or resignation for a continuing period of at least 24 months beginning with that month next following the month during which he ceases to be actively employed. In the event of resignation by the Executive other than as permitted in the preceding paragraph, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period to the effective date of his resignation but not longer than 3 months. In the event of his death, the balance of the continuing salary payments (i.e., 3 months or 24 months, as the case may be) shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of either termination (including, without limitation, because of the Executive's death or disability) of employment or resignation, the Executive shall receive a cash bonus for the entire fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences. Such bonus shall be calculated in accordance with the

provisions of Section 4(b), but shall not be less than the bonus calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time and in no event less than the full target amount for the Executive for such fiscal year under such program. The bonus shall be payable in one lump sum in accordance with and at the time prescribed by the Corporation's policy or if no such policy then exists, the policy of the Corporation in effect as of January 1, 1996, for payment of annual bonuses to its executive employees for the year in which the notice is received, death occurs or disability commences.

In addition, in the event of either termination (including, without limitation, because of the Executive's death or disability) of employment or resignation, the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which termination or resignation becomes effective, death occurs, or disability commences, plus payment for any accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive may be entitled under any severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b) (1). Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of 18 months, commencing on the first day of the month immediately following the date of his death. In addition, his wife, if surviving, or if not, his estate shall be entitled to receive the cash bonus and vacation pay calculated under Section 5(a).

5(b)(2). Disability benefits. In the event the Executive ceases to be actively employed by the Corporation for any reason during any period of his disability, he shall be entitled to receive, in addition to the bonus and vacation pay computed under Section 5(a), (i) his full annual salary in effect on the date he ceased to be employed for a continuing period of 18 months from the date he ceases to be employed by the Corporation, and (ii) the fringe benefits provided by the Corporation under its executive disability policy in effect on

the date he ceases to be employed or if no such policy is in effect on that date, under the executive disability policy of Houdaille in effect as of January 22, 1988.

5(b) (3). Determination of disability. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). For the purpose of this Agreement, "disability" shall mean a disability which is, or has the potential to become, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as Chairman of the Board, President or Chief Executive Officer of the Corporation, as the case may be. The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement. In the event of his disability, the Executive shall cease to be employed on the last day of the month in which the Executive's disability is determined by written agreement of the Executive and the Corporation or the written determination of a physician, as the case may be.

5(c) (1). Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Sections 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in this Section 5 hereof.

5(c) (2). Guarantee of Pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is hereafter referred to as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in

choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution, any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); or (vi) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to

the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan, compensation shall be deemed to include amounts termed severance and service shall be deemed to include the periods for which the Executive receives payments termed severance (based on the period over which the severance amount would have been paid if paid over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury

Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior

to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them (without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the

preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) in computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

(5)(c) (3). Supplemental retirement compensation.

(i) If the Executive ceases to be actively employed by the Corporation for any reason (including, without limitation, upon resignation, termination, death or disability), the

Executive shall be entitled to receive, in addition to the other benefits and compensation specified in this Section 5, \$20,000 for each twelve months or portion thereof that the Executive was employed by the Corporation after the Effective Date up to a maximum of \$240,000. Such supplemental retirement compensation shall be paid in one lump sum on the date he ceases to be employed by the Corporation.

(ii) If the Executive ceases to be actively employed by the Corporation for any reason (including without limitation, upon resignation, termination, death or disability) on or after attaining age 55 or is receiving continuing salary payments or disability payments on or after attaining age 55 pursuant to Section 5(a) or Section 5(b)(2), respectively, the Executive shall be entitled to receive, in addition to the other benefits and compensation specified in this Section 5 and commencing upon completion of the continuing salary payments provided for in Section 5(a) and Section 5(b)(2) of up to 24 or 18 months, respectively, (and excluding any salary payments pursuant to fringe benefit plans), supplemental retirement compensation at the annual rate of 40% of his Adjusted Salary (as that term is defined under 5(c)(3)(vi) below) calculated as of the date he ceases to be employed by the Corporation. Such supplemental retirement compensation shall be paid in equal monthly installments and such payments of supplemental retirement compensation shall continue for a period

of three years from the date continuing salary payments under Section 5(a) and Section 5(b)(2) cease. Notwithstanding the preceding, monthly payments made under this Section 5(c)(3)(ii) shall be reduced by an amount equal to the lump sum payment made by the Corporation under (i) above divided by 36. Regardless of the Executive's death prior to or after commencement of benefits under this paragraph, the benefits provided for in this paragraph shall be paid to him, his wife, if surviving, or his estate, as the case may be, subject, however, to his having attained age 55 or his receiving continuing salary payments on or after attaining age 55 pursuant to Section 5(a) or Section 5(b)(2).

(iii) If the Executive ceases to be actively employed by the Corporation for any reason (including without limitation, upon resignation, termination or disability) other than death (unless the election under (iv) below is in effect on the date of the Executive's death) on or after attaining age 55 or is receiving continuing salary payments or disability payments on or after attaining age 55 pursuant to Section 5(a) or Section 5(b)(2), respectively, the Executive shall also be entitled to receive, in addition to the other benefits and compensation specified in this Section 5, supplemental retirement compensation at the annual rate of 20% of his Adjusted Salary. Such supplemental retirement compensation shall be paid in equal monthly installments commencing on the first day of the month next following the last

payment under Section 5(c)(3)(ii) and shall continue for the remainder of his life.

(iv) If the Executive's spouse is surviving on the date that the benefits under (ii) commence, the Executive hereby elects in lieu of his benefits under (ii) or (iii) above, an actuarially equivalent joint and 50% surviving spouse annuity calculated using the actuarial assumptions under the Plan; provided, however, that he reserves the right to revoke such election at any time prior to the commencement of payment of the benefits under (ii); said spouse's consent shall not be required for such revocation. If such election is effective on the date of the Executive's death, any benefit payable pursuant to Section 5(c)(3)(ii) and (iii) shall commence immediately upon the date of his death notwithstanding any other death benefits payable under this Agreement, subject, however, to his having attained age 55 or his receiving continuing salary payments or disability payments on or after attaining age 55 pursuant to Section 5(a) or Section 5(b)(2), respectively.

(v) Notwithstanding any provision in this Section 5(c)(3) to the contrary, if payments under Section 5(c)(3)(ii) or Section 5(c)(3)(iii) above commence prior to the Executive commencing his 60th year, the payments under Section 5(c)(3)(ii) or Section 5(c)(3)(iii) shall be appropriately adjusted so that the present value of benefit

payments at date of commencement is equivalent to the present value of the benefits as if benefit payments commenced upon the Executive commencing his 60th year using the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which payments actually commence under Section 5(c)(3)(ii) or 5(c)(3)(iii), and the mortality assumptions of the Unisex Pension 1984 Mortality Table.

(vi) For purposes of this Agreement, the term Adjusted Salary shall mean the highest base salary paid to the Executive at any time during the term of this Agreement.

5 (c)(4). Medical benefits. The Executive shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including without limitation, long term care facilities such as convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue for the life of the Executive or the life of his wife (in the event of the Executive's death), whichever shall be the longer

time. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive (and/or his wife or other beneficiaries) in the choice of any physician, medical care facility or type of medical expenses in any way, and shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be solely in the discretion of the Executive (and/or his wife or other dependents).

5(d). Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business of the

Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Executive consents to jurisdiction in Lake County, Illinois on the date of the

commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

5(e). Cost of living adjustments. All payments under Section Section 5(c)(3)(ii) and (iii) hereof shall be appropriately increased at such time as the Corporation shall first become obligated to make such payments, and at the beginning of each year thereafter, in proportion to the amount, if any, by which the Consumer Price Index (the "CPI") for the then most recently reported month exceeds the CPI as of the month and year of the date he ceased to be employed. The CPI to be used hereunder shall be the CPI for All Urban Consumers (CPI-U) (All Cities, All Items, 1982-84 = 100), published by the Bureau of Labor Statistics of the United States Department of Labor. In the event of any substantial change in the composition of the CPI to be used hereunder or in the event of discontinuance or termination of such index, the most appropriate available price index shall be substituted and utilized hereunder.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the

Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his

beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries may incur in connection therewith directly to the provider of the services or as may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

8. Rights in event of change of control or liquidation.

8(a). Rights in event of change in management or control. In the event of (I) any transaction or series of transactions which within a 12-month period constitute a change

of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by any person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation constituting such change of management or control (the "Acquisition"), the Executive, regardless of whether still employed by the Corporation, or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole option, upon receipt of prior written notice of the Acquisition from the Corporation, which such notice the

Corporation is hereby required to provide, prior to the Acquisition to elect to receive on the consummation of the Acquisition, or for a period of 24 months after the Acquisition to elect to receive on the date designated by the Executive, or other beneficiary as the case may be, in either case within such 24-month period, a lump sum settlement of any one or more of the economic obligations of the Corporation to the Executive or other beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(4) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case

may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, in his or her sole discretion. In addition, if the Executive or other beneficiary elects to receive a lump sum settlement, such election may be withdrawn by the Executive or other beneficiary with respect to any one or more of such obligations at any time prior to receipt of payment by the Executive or other beneficiary from the Corporation. Any lump sum payment shall be actuarially computed by the Corporation in good faith on an equitable basis based on the prevailing economic circumstances at the time of such election and shall include an assumption regarding future cost of living increases based upon the average of the monthly CPI for the five (5) calendar years immediately preceding the date of election. Any lump sum pension guarantee under Section 5(c)(2) shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this paragraph, the term

"control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

8(b). Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations prior to such proposed liquidation, dissolution or other

transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(4) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, in his or her sole discretion. Any lump sum settlement shall be actuarially computed by the Corporation in good faith on an equitable basis based on the prevailing economic circumstances at the time of such payment and shall include an assumption regarding future cost of living increases based upon the average of the monthly CPI for the five (5) calendar years immediately preceding the date of such proposed liquidation,

dissolution or other transaction. In addition to disclosing to the Executive or other beneficiary the amount of such lump sum settlement, the Corporation shall disclose to the Executive or other beneficiary all of the assumptions used to calculate such lump sum settlement. Any lump sum pension guarantee under Section 5(c)(2) shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

9. Additional Payments by Corporation.

(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or

any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to all non-qualified stock option plans of the Corporation now or hereafter in effect, pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX Corporation 1996 Deferred Compensation Plan for Officers, pursuant to any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the

Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on

an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and "his 60th year" shall mean the twelve months immediately following the Executive's 59th birthday.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents, or other potential or actual third party beneficiary shall not be required except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Section 5(a) and 5(b)(1) and 5(c)(3)(i) and (ii) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, and Section 5(c)(4) is intended to inure to the benefit of the Executive's wife and his dependents, Section 5(c)(3)(ii) and (iii) is intended to inure to the benefit of the Executive's wife, to the extent of any election under Section 5(c)(3)(iv), and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries. Such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Michael Tokarz, Kohlberg Kravis Roberts & Co., 9 West 57th Street, New York, New York 10019 and Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York, 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

/s/ Donald N. Boyce  
-----  
Donald N. Boyce

DATE OF EXECUTION: December 6, 1996

IDEX CORPORATION

By: /s/ Wayne P. Sayatovic  
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Wayne P. Sayatovic, Senior Vice  
President - Finance and Chief  
Financial Officer

DATE OF EXECUTION: December 9, 1996

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsections 5(c)(2) and 5(c)(3) of the Employment Agreement.

/s/ Jeris J. Boyce  
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Jeris Boyce

DATE OF EXECUTION: December 6, 1996

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

BETWEEN

IDEX CORPORATION

AND

WAYNE P. SAYATOVIC

[HODGSON RUSS ANDREWS WOODS & GOODYEAR LETTERHEAD]

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the 22nd day of November, 1996, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and WAYNE P. SAYATOVIC, 91 Mallard Lane, Lake Forest, Illinois 60045 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of January 22, 1988 (the "Effective Date") and executed by the Executive on May 10, 1989 and by IDEX on May 12, 1989 and subsequently amended as of January 13, 1993 and as of September 27, 1994. The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as an executive of Houdaille Industries, Inc. ("Houdaille"). IDEX purchased from Houdaille all of the shares of stock of all of the active subsidiaries of Houdaille other than John Crane-Houdaille, Inc. (the "NonCrane Subsidiaries") on January 22, 1988 and desires to secure the full-time services of the Executive until at least the third anniversary of the Effective Date on the terms and conditions as provided in this Agreement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set

forth in this Agreement. This Agreement amends and restates in its entirety all previous employment agreements between the Executive and IDEX.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX, or one of its subsidiaries, as the case may be (hereafter in the aggregate, the "Corporation"), as an executive of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the Chief Executive Officer of the Corporation and subject also at all times to the control of the Board of Directors of the Corporation.

The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency and duration as would necessitate, in the reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area. Following an Acquisition (as hereinafter defined), the Corporation shall not, in the reasonable judgment of the Executive, (a) significantly reduce the scope of the duties of the Executive hereunder or (b) significantly reduce the total potential compensation of the Executive hereunder. If the Executive determines in accordance

with the preceding sentences that (a) the services required by the Corporation necessitate that the Executive move his residence from the Chicago, Illinois area, (b) the duties of the Executive hereunder have been significantly reduced or (c) the total potential compensation of the Executive hereunder has been significantly reduced, the Executive, in his sole discretion, may deem that the Corporation has terminated his services and shall so notify the Corporation in writing, in which case the Corporation shall be deemed to have terminated the services of the Executive for all purposes of this Agreement as of the date specified by the Executive in his notice to the Corporation.

3. Executive's obligations: vacations, automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation. With the approval of the Chief Executive Officer of the Corporation, however, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take four weeks vacation each year with pay. The Corporation shall furnish and maintain an

automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy of the Corporation be materially less generous than the policy of the Corporation in effect as of January 1, 1996.

4. Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of \$198,500 per year commencing as of January 1, 1997, payable in equal monthly installments, and continuing during the period of his full-time service hereunder; provided, however, that the Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

5. Period of service and benefits.

(a) Period of full-time service. The period of full-time service of the Executive under this Agreement shall continue to the third anniversary of the Effective Date, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service

of the Executive hereunder by delivering written notice of termination to the Executive, or the Executive may resign and terminate his full-time service hereunder at any time after the third anniversary of the Effective Date, by delivering written notice of his intention to resign to the Corporation at least 3 months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month during which he ceases to be actively employed. In the event of the Executive's death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of resignation by the Executive as permitted by this Agreement, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period to the effective date of his resignation but not longer than three months.

Except as otherwise provided in Section 5(c)(3), continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation or the Executive's death or disability, the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination or death occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time and shall in no event be less than the full target amount for the Executive for such fiscal year. The bonus shall be payable in one lump sum in accordance with and at the time prescribed by the Corporation's policy for payment of annual bonuses to its executive employees for the year in which the Executive's termination or death occurs or his disability commences. If no policy of the Corporation then exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of the Corporation in effect as of January 1, 1996.

In addition, in the event of either termination (including, without limitation, because of the Executive's death

or disability) of employment or resignation, the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive and his beneficiaries upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the Executive by the Corporation as set forth in this Section 5(a). An "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof),

redeemed by the Corporation or purchased by any person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation, constituting such change of management or control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive and his beneficiaries may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

(b) Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of nine months commencing on the first day of the month immediately following the date of his death.

(c) (1) Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Section 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in this Section 5 hereof.

(2) Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and

death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is referred to hereafter as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude

any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution, any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); or (vi) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan,

compensation shall be deemed to include amounts termed severance and service shall be deemed to include the periods for which the Executive receives payments termed severance (based on the period over which the severance amount would have been paid if paid as compensation over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit

under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such

reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or

local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them (without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) In computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

(3) Medical benefits. The Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including, without limitation, long term care facilities such as convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue at all times while the Executive is employed by the Corporation, and thereafter for the remainder of his life or the life of his wife, whichever shall be the longer time, if (a) the Executive continues in the employ of the Corporation until the commencement of his 56th year or (b) the Executive prior to the commencement of his 56th year dies or becomes disabled while employed by the Corporation or (c) the Executive ceases to be employed by the

Corporation for any reason, whether voluntary or involuntary, at any time following an Acquisition. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive or his wife or other dependents in the choice of any physician, medical care facility or type of medical expenses in any way, and, except as provided in the following sentence, shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. Such medical benefits shall be reduced to the extent of any medical benefits actually available and actually provided by any subsequent employer to the Executive, his wife, or other dependents only during the following periods:

(a) until the commencement of his 56th year if he ceases to be employed by the Corporation as a result of his involuntary termination following an Acquisition, or

(b) until the commencement of his 60th year if he ceases to be employed by the Corporation as a result of his voluntary termination or retirement prior to the commencement of his 60th year.

Without limiting the foregoing, there shall be no such offset in the event of:

(a) termination for any reason after commencement of the Executive's 60th year,

(b) involuntary termination following an Acquisition, and after commencement of the Executive's 56th year, or

(c) the death or disability of the Executive while in the active employment of the Corporation.

In any case such reduction in medical benefits shall be only to the extent of any medical benefits actually provided by and actually available to the Executive (and/or his wife or other dependents) from any subsequent employer without cost to the Executive (and/or his wife or other dependents) or subject to full reimbursement of any such cost by the Corporation to the Executive (and/or his wife or other dependents), but shall not be limited by the terms of any such insurance or reimbursement. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be

solely in the discretion of the Executive (and/or his wife or other dependents).

(d) Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information

obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability

insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries

may incur in connection therewith directly to the provider of the services or as may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

8. Additional payments by Corporation.

(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and/or sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to all

non-qualified stock option plans of the Corporation now or hereafter in effect, pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX Corporation 1996 Deferred Compensation Plan for Officers, any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on

which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or

contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9. Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations prior to such proposed liquidation, dissolution or other transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or

inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(3) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion. Any lump sum settlement shall reflect a reasonable assumption of cost-of-living adjustments, if appropriate to such obligation, and shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the

Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the terms "his 56th year" and "his 60th year" shall mean immediately following the Executive's 55th birthday and 59th birthday respectively. For purposes of this Agreement, disability shall mean a disability which is, or has the potential to be, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as an Executive of the Corporation. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential or actual third party beneficiary shall not be required, except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Section 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, Section 5(c)(3) is intended to inure to the benefit of the Executive's wife and his dependents, and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York, 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained

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herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

/s/ Wayne P. Sayatovic  
-----  
Wayne P. Sayatovic

DATE OF EXECUTION: December 9, 1996

IDEX CORPORATION

By /s/ Donald N. Boyce  
-----  
Donald N. Boyce, President

DATE OF EXECUTION: December 9, 1996

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsection 5(c)(2) of the Employment Agreement.

/s/ Janice Z. Sayatovic  
-----  
Janice Z. Sayatovic

DATE OF EXECUTION: December 9, 1996

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT  
BETWEEN  
IDEX CORPORATION  
AND  
FRANK J. HANSEN

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the 22nd day of November, 1996, between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and FRANK J. HANSEN, 1716 Mulberry Drive, Libertyville, Illinois 60048 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of August 1, 1994 (the "Effective Date") and subsequently amended as of September 27, 1994. The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive has previously served as President of Viking Pump, Inc., a business unit of IDEX Corporation, and as Vice President-Group Executive of IDEX Corporation ("IDEX"). IDEX desires to secure the full-time services of the Executive as Senior Vice President-Operations until at least the third anniversary of the Effective Date on the terms and conditions as provided in this Agreement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX, or one of its subsidiaries, as the case may be (hereafter in the aggregate, the "Corporation"), as an executive of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the Chief Executive Officer of the Corporation and subject also at all times to the control of the Board of Directors of the Corporation.

The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency and duration as would necessitate, in the reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area. Following an Acquisition (as hereinafter defined), the Corporation shall not, in the reasonable judgment of the Executive, (a) significantly reduce the scope of the duties of the Executive hereunder or (b) significantly reduce the total potential compensation of the Executive hereunder. If the Executive determines in accordance with the preceding sentences that (a) the services required by the Corporation necessitate that the Executive move his residence from the Chicago, Illinois area, (b) the duties of the Executive hereunder have been significantly reduced or (c) the total

potential compensation of the Executive hereunder has been significantly reduced, the Executive, in his sole discretion, may deem that the Corporation has terminated his services and shall so notify the Corporation in writing, in which case the Corporation shall be deemed to have terminated the services of the Executive for all purposes of this Agreement as of the date specified by the Executive in his notice to the Corporation.

3. Executive's obligations; vacations; automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation. With the approval of the Chief Executive Officer of the Corporation, however, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take four weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy of the Corporation be

materially less generous than that in effect as of January 1, 1996.

4. Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of \$210,800 per year commencing as of January 1, 1997, payable in equal monthly installments, and continuing during the period of his full-time service hereunder; provided, however, that the Corporation shall in good faith review the salary of the Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

5. Period of service and benefits.

5(a) Period of full-time service. The period of full-time service of the Executive under this Agreement shall continue to the third anniversary of the Effective Date, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service of the Executive hereunder by delivering written notice of termination to the Executive, or the Executive may resign and terminate his full-time service hereunder at any time after the

third anniversary of the Effective Date, by delivering written notice of his intention to resign to the Corporation at least 3 months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month during which he ceases to be actively employed. In the event of the Executive's death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of resignation by the Executive as permitted by this Agreement, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period to the effective date of his resignation but not longer than three months.

Except as otherwise provided in Section 5(c)(3), continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the

Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation or the Executive's death or disability, the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination or death occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in effect from time to time and shall in no event be less than the full target amount for the Executive for such fiscal year. If no policy of the Corporation then exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of the Corporation in effect as of January 1, 1996.

In addition, in the event of either termination (including, without limitation, because of the Executive's death or disability) of employment or resignation, the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or

disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the Executive by the Corporation as set forth in this Section 5(a). An "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by an person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any

person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation, constituting such change of management or control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b) Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of nine months commencing on the first day of the month immediately following the date of his death.

5(c) (1) Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Sections 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in this Section 5 hereof.

5(c) (2) Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time

service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is referred to hereafter as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution,

any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); or (vi) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan, compensation shall be deemed to include amounts termed severance and service shall be deemed to include the periods for which the Executive receives payments termed severance (based on the period over which the severance amount would have been paid if paid as compensation over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement.

To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them

(without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include

in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) In computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for

income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

5(c)(3) Medical benefits. The Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including, without limitation, long term care facilities such as convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue at all times while the Executive is employed by the Corporation, and thereafter for the remainder of his life or the life of his wife, whichever shall be the longer time, if (a) the Executive continues in the employ of the Corporation until the commencement of his 56th year or (b) the Executive prior to the commencement of his 56th year dies or becomes disabled while employed by the Corporation or (c) the Executive ceases to be employed by the Corporation for any reason, whether voluntary or involuntary, at any time following an Acquisition. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits

shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive or his wife or other dependents in the choice of any physician, medical care facility or type of medical expenses in any way, and, except as provided in the following sentence, shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. Such medical benefits shall be reduced to the extent of any medical benefits actually available and actually provided by any subsequent employer to the Executive, his wife, or other dependents only during the following periods:

(a) until the commencement of his 56th year if he ceases to be employed by the Corporation as a result of his involuntary termination following an Acquisition, or

(b) until the commencement of his 60th year if he ceases to be employed by the Corporation as a result of his voluntary termination or retirement prior to the commencement of his 60th year.

Without limiting the foregoing, there shall be no such offset in the event of:

(a) termination for any reason after commencement of the Executive's 60th year,

(b) involuntary termination following an Acquisition, and after commencement of the Executive's 56th year, or

(c) the death or disability of the Executive while in the active employment of the Corporation.

In any case such reduction in medical benefits shall be only to the extent of any medical benefits actually provided by and actually available to the Executive (and/or his wife or other dependents) from any subsequent employer without cost to the Executive (and/or his wife or other dependents) or subject to full reimbursement of any such cost by the Corporation to the Executive (and/or his wife or other dependents), but shall not be limited by the terms of any such insurance or reimbursement. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be solely in the discretion of the Executive (and/or his wife or other dependents).

5(d) Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement

shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries may incur in connection therewith directly to the provider of the services or as may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the

amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

8. Additional payments by Corporation.

8(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to that certain shareholder purchase and sale agreement between Executive and the Corporation made as of January 22, 1988, as amended and restated, pursuant to all non-qualified stock option plans of the Corporation now or hereafter in effect, pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX

Corporation 1996 Deferred Compensation Plan for Officers, pursuant to any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

8(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which

the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9. Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations prior to such proposed liquidation, dissolution or other transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall

have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(3) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion. Any lump sum settlement shall reflect a reasonable assumption of cost-of-living adjustments, if appropriate to such obligation, and shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the terms "his 56th year" and "his 60th year" shall mean immediately following the Executive's 55th birthday and 59th birthday respectively. For purposes of this Agreement, disability shall mean a disability which is, or has the potential to be, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as an Executive of the Corporation. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential

or actual third party beneficiary shall not be required, except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Section 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision, Section 5(c)(3) is intended to inure to the benefit of the Executive's wife and his dependents, and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all

matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 One M & T Plaza, Buffalo, New York 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

/s/ Frank J. Hansen  
-----  
Frank J. Hansen

Date of Execution: December 9, 1996

IDEX CORPORATION

By: /s/ Donald N. Boyce  
-----  
Donald N. Boyce, President

Date of Execution: December 9, 1996

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsection 5(c)(2) of the Employment Agreement.

/s/ Kathryn Hansen  
-----  
Kathryn Hansen

DATE OF EXECUTION: December 9, 1996

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT  
BETWEEN  
IDEX CORPORATION  
AND  
JERRY N. DERCK

AMENDED AND RESTATED  
EMPLOYMENT AGREEMENT

THIS AGREEMENT, made as of the 22nd day of November, 1996, is between IDEX CORPORATION, a Delaware corporation with its executive offices at 630 Dundee Road, Suite 400, Northbrook, Illinois 60062 ("IDEX"), and JERRY N. DERCK, an individual residing at 408 Burdick Street, Libertyville, Illinois 60048 (the "Executive").

IDEX and the Executive entered into an Employment Agreement dated as of September 27, 1994 (the "Effective Date"). The parties now wish to modify certain provisions of the Employment Agreement and to restate the Employment Agreement in its entirety as modified. Therefore, IDEX and the Executive agree as follows:

1. Introductory statement. The Executive is willing to execute this Agreement with respect to his employment upon the terms and conditions set forth in this Agreement.

2. Agreement of employment. IDEX agrees to, and hereby does, employ the Executive, and the Executive agrees to, and hereby does accept, employment by IDEX, or one of its subsidiaries, as the case may be (hereafter in the aggregate, the "Corporation"), as an executive of the Corporation, subject to the provisions of the by-laws of the Corporation in respect of the duties and responsibilities assigned from time to time by the

Chief Executive Officer of the Corporation and subject also at all times to the control of the Board of Directors of the Corporation.

The Corporation shall not require the Executive to perform services hereunder away from the Chicago, Illinois area of such frequency and duration as would necessitate, in the reasonable judgment of the Executive, the Executive moving his residence from the Chicago, Illinois area. Following an Acquisition (as hereinafter defined), the Corporation shall not, in the reasonable judgment of the Executive, (a) significantly reduce the scope of the duties of the Executive hereunder or (b) significantly reduce the total potential compensation of the Executive hereunder. If the Executive determines in accordance with the preceding sentences that (a) the services required by the Corporation necessitate that the Executive move his residence from the Chicago, Illinois area, (b) the duties of the Executive hereunder have been significantly reduced or (c) the total potential compensation of the Executive hereunder has been significantly reduced, the Executive, in his sole discretion, may deem that the Corporation has terminated his services and shall so notify the Corporation in writing, in which case the Corporation shall be deemed to have terminated the services of the Executive for all purposes of this Agreement as of the date specified by the Executive in his notice to the Corporation.

3. Executive's obligations: vacations, automobile. During the period of his full-time service under this Agreement, the Executive shall devote substantially all of his time and energies during business hours to the supervision and conduct, faithfully and to the best of his ability, of the business and affairs of the Corporation, and to the furtherance of its interests, and shall not accept other gainful employment except with the prior consent of the Chief Executive Officer of the Corporation. With the approval of the Chief Executive officer of the Corporation, however, the Executive may become a director, trustee or other fiduciary of other corporations, trusts or entities. The Executive may take four weeks vacation each year with pay. The Corporation shall furnish and maintain an automobile for the use of the Executive consistent with the policy of the Corporation in effect at any time; provided, however, that at no time shall the policy be materially less generous than the policy of the Corporation in effect as of January 1, 1996.

4. Annual salary. The Corporation shall pay to the Executive for his services under this Agreement a salary at the rate of \$165,600 per year commencing as of January 1, 1997, payable in equal monthly installments, and continuing during the period of his full-time service hereunder; provided, however, that the Corporation shall in good faith review the salary of the

Executive, on an annual basis, with a view to consideration of appropriate increases in such salary. If the Executive dies during the period of his full-time service hereunder, service for any part of the month of his death shall be considered service for the entire month.

5. Period of service and benefits.

5(a). Period of full-time service. The period of full-time service of the Executive under this Agreement shall continue to the third anniversary of the Effective Date, and for successive 12 month periods thereafter; provided, however, that the Corporation may terminate at any time the full-time service of the Executive hereunder by delivering written notice of termination to the Executive, or the Executive may resign and terminate his full-time service hereunder at any time after the third anniversary of the Effective Date, by delivering written notice of his intention to resign to the Corporation at least 3 months prior to the effective date of such resignation.

In the event of termination of the Executive by the Corporation, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of termination for a continuing period of 24 months beginning with that month next following the month

during which he ceases to be actively employed. In the event of the Executive's death, the balance of the continuing salary payments shall be made to his wife, if surviving, or if not, to his estate in addition to any and all other benefits payable under this Agreement upon his death.

In the event of resignation by the Executive as permitted by this Agreement, the Executive shall be entitled to receive his full annual salary and fringe benefits in effect on the date of receipt of the notice of resignation for a continuing period to the effective date of his resignation but not longer than three months.

Except as otherwise provided in Section 5(c)(3), continuing fringe benefits under this Section 5(a) shall be reduced to the extent of any fringe benefits provided by and available to the Executive from any subsequent employer but shall not be limited by the terms of any such fringe benefit of a subsequent employer.

In the event of termination of the Executive by the Corporation or the Executive's death or disability, the Executive or his estate shall receive a cash bonus for the entire fiscal year in which such termination or death occurs or disability commences. Such bonus shall be calculated in accordance with the management incentive compensation program of the Corporation in

effect from time to time and shall in no event be less than the full target amount for the Executive for such fiscal year. The bonus shall be payable in one lump sum in accordance with and at the time prescribed by the Corporation's policy for payment of annual bonuses to its executive employees for the year in which the Executive's termination or death occurs or his disability commences. If no policy of the Corporation then exists with regard to calculation and payment of bonuses, the bonus shall be calculated and paid in accordance with the policy of the Corporation in effect as of January 1, 1996.

In addition, in the event of either termination (including, without limitation, because of the Executive's death or disability) of employment or resignation, the Executive shall receive payment for accrued but unused vacation, which payment shall be equitably prorated based on the period of active employment for that portion of the fiscal year in which the termination or resignation becomes effective, death occurs, or disability commences, plus payment for accrued but unused vacation for the prior fiscal year. Payment for accrued but unused vacation shall be payable in one lump sum on the effective date of termination or resignation, the date of death (or as soon thereafter as practicable) or the date disability commences.

In the event of termination of the Executive by the Corporation within 24 months following an "Acquisition" of the Corporation (as hereinafter defined), the benefits to be provided to the Executive and his beneficiaries upon such termination, regardless of the continued effectiveness of this Agreement or of the provisions of this Section 5(a), shall be in an amount and character not less generous than the benefits payable upon a termination of the Executive by the Corporation as set forth in this Section 5(a). An "Acquisition" means (I) any transaction or series of transactions which within a 12-month period constitute a change of management or control where (i) at least 51 percent of the then outstanding common shares of the Corporation are (for cash, property (including, without limitation, stock in any corporation), or indebtedness, or any combination thereof), redeemed by the Corporation or purchased by any person(s), firm(s) or entity(ies), or exchanged for shares in any other corporation whether or not affiliated with the Corporation, or any combination of such redemption, purchase or exchange, or (ii) at least 51 percent of the Corporation's assets are purchased by any person(s), firm(s) or entity(ies) whether or not affiliated with the Corporation for cash, property (including, without limitation, stock in any corporation) or indebtedness or any combination thereof, or (iii) the Corporation is merged or consolidated with another corporation regardless of whether the Corporation is the survivor, or (II) any substantial equivalent

of any such redemption, purchase, exchange, change, transaction or series of transactions, merger or consolidation, constituting such change of management or control. For purposes of this paragraph, the term "control" shall have the meaning ascribed thereto under the Securities Exchange Act of 1934, as amended, and the regulations thereunder, and the term "management" shall mean the chief executive officer of the Corporation. For purposes of clause (I)(ii) above or as appropriate for purposes of clause (II) above, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

The benefits provided for under this section shall be in lieu of, and not in addition to, any and all benefits to which the Executive and his beneficiaries may be entitled under any bonus or severance program or policy adopted by the Corporation from time to time unless otherwise expressly stated therein.

5(b). Death benefit. If the Executive dies during the period of his full-time service hereunder, his wife, if surviving, or if not, his estate shall be entitled to receive his full annual salary in effect on the date of his death for a continuing period of nine months commencing on the first day of the month immediately following the date of his death.

5(c)(1). Retirement compensation and obligations. Upon the retirement or resignation of the Executive or upon his termination from full-time service with the Corporation, in either case pursuant to the provisions of this Section 5 hereof, the full-time service obligations of the Executive and the Corporation to each other under Section 2, 3 and 4 hereof shall cease, and the Executive shall be entitled to receive benefits and compensation as specified in this Section 5 hereof.

5(c)(2). Guarantee of pension benefits. In addition to the compensation otherwise provided herein, the Executive and his beneficiaries shall be entitled to receive the retirement and death benefits they would receive at the times and under such optional arrangements as the Executive is entitled to under the terms of any defined benefit retirement or pension plan adopted and implemented by the Corporation for its executive office employees in effect at the date of the Executive's retirement, resignation or termination (for whatever reason) from full-time service with the Corporation or at any time during the Executive's service with the Corporation (any such plan is referred to hereafter as the "Plan") (such Plan shall include a lump sum option) pursuant to the Plan provisions as in effect at the point in time during the Executive's employment at which the Plan would provide the greatest benefits for the Executive and his beneficiaries and, in addition, the greatest latitude in

choice of options (including, but not limited to, a lump sum option), but in any event computed without reference to (i) any restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations; (ii) any restrictions in the Plan upon the maximum contributions to the Plan or upon the maximum benefits payable under the Plan, as the case may be, pursuant to Section 415 of the Internal Revenue Code of 1986, as in effect at such point in time (the "Code"); (iii) any limitations on the amount of the Executive's compensation that may be taken into account under the Plan pursuant to Section 401(a)(17) of the Code or any successor section; (iv) the limitations on compensation that would exclude any income attributable to the exercise of the nonqualified stock options granted in replacement of Equity Appreciation Rights granted under the First Restatement of the Amended and Restated 1988 Equity Appreciation Rights Plan or the 1989 Equity Appreciation Rights Plan (hereafter the "EAR Plans"); (v) for purposes of determining eligibility for a lump sum distribution, any condition under the Plan considered necessary to receive a lump sum distribution, such as the submission of medical evidence of reasonable health of the Participant or the meeting of a specified age or service requirement (in other words the lump sum distribution shall be an election solely in the discretion of the Executive); (vi) any forfeiture resulting from an insufficient number of Years of Vesting Service to be entitled to a fully

nonforfeitable benefit; or (vii) any other restriction on the Executive's benefits as determined under the Plan pursuant to the Code, to the Employee Retirement Income Security Act of 1974, as in effect at such point in time ("ERISA") or to any other law affecting the determination of such benefits. However, except as specifically described otherwise in the preceding sentence, all calculations pursuant to this Section 5(c)(2) of benefits shall be made on the basis of the actual years of service to the Corporation, including any Affiliated Corporation and Company as defined under the Plan, and actual compensation of the Executive taken into account under the applicable Plan provisions. In calculating the Executive's compensation and years of service to the Corporation under the Plan for purposes of benefit accrual and to determine active employment on any date relevant for any purpose under the Plan, compensation shall be deemed to include amounts termed severance and service shall be deemed to include the periods for which the Executive receives payments termed severance (based on the period over which the severance amount would have been paid as compensation over the entire period as to which severance is calculated) even if such amount is paid as a lump sum settlement. To the extent that the benefits to which the Executive or his beneficiaries are entitled under this Section 5(c)(2) are not paid from the Trust under the Plan or from the IDEX Corporation Supplemental Executive Retirement Plan, the Corporation shall pay such benefits directly from its general assets.

If payments are being made, pursuant to this Section 5(c)(2), in the form of an annuity or other periodic form of distribution, and the portion of the total amount to be paid from the Trust under the Plan shall thereafter be reduced after the date such payments have been determined pursuant to the preceding paragraph, by virtue of the operation of restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason other than the operation of the provisions of the optional form selected under the Plan, the Corporation shall increase, in an amount equal to any such reduction, the amount of the benefit under this Section 5(c)(2) which is to be paid directly from its general assets, and such increase shall be prorated over the remaining payments or used to recalculate the annuity payments, as the case may be.

If payments are being made or have been made in full, pursuant to this Section 5(c)(2), but the Executive or any of his beneficiaries is required to make a payment to the Trustee under the Plan (whether in the form of a loss of collateral, interest on such collateral or otherwise) as the result of the application of the restrictions in the Plan upon payments to the Executive, as described in Section 1.401(a)(4)-5(b) of the Treasury

Regulations, or by virtue of the termination of the Plan (including the operation of Section 4045 of ERISA or any successor section) or for any other reason, the Corporation shall reimburse the Executive or his beneficiaries, as the case may be, directly from its general assets, for each such payment to the Trustee, and if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such a payment and/or if such payment would result in the imposition of any penalty tax because of such repayment, then the amount of such reimbursement shall be increased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such reimbursement, the Executive or his beneficiaries retain an amount from the Corporation approximately equal to the amount repaid to the Trustee.

In the event (I) the Executive requests a lump sum distribution from the Trustee or Committee under the Plan and is denied the request, regardless of the reason for the denial, or (II) (i) if the Plan is amended to eliminate the lump sum distribution option on future benefit accruals or (ii) the Executive is not otherwise entitled to a lump sum distribution under the Plan terms and, in the case of (i) or (ii), the Executive states in writing to the Corporation at any time prior

to the Executive or his beneficiaries receiving a benefit under the Plan that he otherwise would have requested the lump sum distribution option, the Corporation shall pay the Executive, or his beneficiaries, as the case may be, in cash in a single lump sum benefit, an amount equal to the benefit hereinbefore determined less any amount received by the Executive or his beneficiaries from the Plan directly or indirectly in a single payment, regardless of the form of payment in which the benefit is being paid or is to be paid under the Plan. In the case of a benefit provided under this paragraph, the Corporation shall pay the Executive or his beneficiaries an additional amount in cash in a single lump sum payment such that after payment by the Executive or his beneficiaries of all federal, state, and/or local income taxes (including, without limitation, any interest or penalties imposed with respect to such taxes) imposed upon such single lump sum payment, the Executive or his beneficiaries retain an amount that would have been retained by him or them (without regard to any limitations as described in the first paragraph of this Section 5(c)(2)) had he or they directly rolled the amount from the Plan into an individual retirement account. If the Executive or his beneficiaries receive the single lump sum payment from the Corporation under this paragraph, the Executive and his beneficiaries agree to waive and/or return to the Corporation all benefits to him or them that he or they subsequently receive from the Plan. Notwithstanding the

preceding sentence, if the Executive or any of his beneficiaries does not receive a deduction for federal, state and/or local income tax purposes for such benefits and/or if such benefits would result in the imposition of any penalty tax because of such repayment, then the amount of such waiver and/or return to the Corporation shall be decreased by an amount such that after payment by the Executive or his beneficiaries of all taxes, including, without limitation, any interest or penalties imposed with respect to such waiver and/or return, the Executive or his beneficiaries incur no net expense from such benefits he or they subsequently receive from the Plan. For purposes of this Section, beneficiaries means the beneficiaries as determined under the Plan.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of any Plan, compensation shall include in any year any amount otherwise excluded from compensation in such year as a result of an election to defer income made pursuant to the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers and shall exclude in any year any amount that would otherwise be included in compensation in a year which relates to an amount deferred in a prior year under the provisions of the IDEX Corporation 1996 Deferred Compensation Plan for Officers.

Notwithstanding the preceding provisions of this Section 5(c)(2), in calculating the benefit provided under this Section 5(c)(2) under the terms of the Plan, the following rules shall apply:

(a) In computing average compensation for purposes of any benefit formula under the Plan, compensation shall not include any income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement for Equity Appreciation Rights under the EAR Plans at any time.

(b) An additional benefit under this Section 5(c)(2) shall be payable in an amount equal to the benefit accrued at the rate provided in the Plan's career average formula applied to the income includable in the Executive's income for income tax purposes attributable to the exercise of stock options granted in replacement of Equity Appreciation Rights under the EAR Plans at any time.

5(c)(3) Medical benefits. The Executive and/or his wife, as the case may be, shall be entitled to prompt reimbursement for all medical, dental, hospitalization, convalescent, nursing, extended care facilities (including, without limitation, long term care facilities such as

convalescent and nursing homes) and similar health and welfare expenses incurred by the Executive (or by his wife in the event of the Executive's death or disability) for the Executive or for the benefit of his wife or other dependents (hereinafter collectively referred to as "medical benefits"). Such medical benefits shall continue at all times while the Executive is employed by the Corporation, and thereafter for the remainder of his life or the life of his wife, whichever shall be the longer time, if (a) the Executive continues in the employ of the Corporation until the commencement of his 56th year or (b) the Executive prior to the commencement of his 56th year dies or becomes disabled while employed by the Corporation or (c) the Executive ceases to be employed by the Corporation for any reason, whether voluntary or involuntary, at any time following an Acquisition. The Corporation may, in its discretion, insure such medical benefits; provided, however, that such benefits shall not be affected by the existence or non-existence of any available insurance from any source, shall not be limited by the terms of any such insurance or the failure of any insurer to meet its obligations thereunder, shall not limit the Executive or his wife or other dependents in the choice of any physician, medical care facility or type of medical expenses in any way, and, except as provided in the following sentence, shall not be affected by the availability of any medical benefits provided by and available to the Executive from any subsequent employer. Such

medical benefits shall be reduced to the extent of any medical benefits actually available and actually provided by any subsequent employer to the Executive, his wife, or other dependents only during the following periods:

(a) until the commencement of his 56th year if he ceases to be employed by the Corporation as a result of his involuntary termination following an Acquisition, or

(b) until the commencement of his 60th year if he ceases to be employed by the Corporation as a result of his voluntary termination or retirement prior to the commencement of his 60th year.

Without limiting the foregoing, there shall be no such offset in the event of:

(a) termination for any reason after commencement of the Executive's 60th year,

(b) involuntary termination following an Acquisition, and after commencement of the Executive's 56th year, or

(c) the death or disability of the Executive while in the active employment of the Corporation.

In any case such reduction in medical benefits shall be only to the extent of any medical benefits actually provided by and actually available to the Executive (and/or his wife or other dependents) from any subsequent employer without cost to the Executive (and/or his wife or other dependents) or subject to full reimbursement of any such cost by the Corporation to the Executive (and/or his wife or other dependents), but shall not be limited by the terms of any such insurance or reimbursement. For purposes of this Agreement, the term "medical expenses" shall include, but not be limited to, prescription drugs, prosthetics, optical care (including corrective lenses) and travel and lodging associated with medical expenses, with the selection of medical providers and institutions and related travel and lodging to be solely in the discretion of the Executive (and/or his wife or other dependents).

5(d). Confidentiality agreement. During the course of his employment, the Executive has had and will have access to confidential information relating to the lines of business of the Corporation, its trade secrets, marketing techniques, technical and cost data, information concerning customers and suppliers, information relating to product lines, and other valuable and confidential information relating to the business operations of the Corporation not generally available to the public (the "Confidential Information"). The parties hereby acknowledge that

any unauthorized disclosure or misuse of the Confidential Information could cause irreparable damage to the Corporation. The parties also agree that covenants by the Executive not to make unauthorized use or disclosures of the Confidential Information are essential to the growth and stability of the business of the Corporation. Accordingly, the Executive agrees to the confidentiality covenants set forth in this section.

The Executive agrees that, except as required by his duties with the Corporation or as authorized by the Corporation in writing, he will not use or disclose to anyone at any time, regardless of whether before or after the Executive ceases to be employed by the Corporation, any of the Confidential Information obtained by him in the course of his employment with the Corporation.

The Executive agrees that since irreparable damage could result from his breach of the covenants in this Section 5(d) of this Agreement, in addition to any and all other remedies available to the Corporation, the Corporation shall have the remedies of a restraining order, injunction or other equitable relief to enforce the provisions thereof. The Employee consents to jurisdiction in Lake County, Illinois on the date of the commencement of any action for purposes of any claims under this Section 5(d). In addition, the Executive agrees that the issues in any

action brought under this section will be limited to claims under this section, and all other claims or counterclaims under other provisions of this Agreement will be excluded.

6. Compensation under this Agreement not exclusive. Except as expressly stated to the contrary in this Agreement, the compensation and benefits payable by the Corporation to the Executive under the provisions of this Agreement shall be in addition to and separate and apart from such additional compensation or incentives and such retirement, disability or other benefits as the Executive may be entitled to under any present or future extra compensation or bonus plan, stock option plan, share purchase agreement, pension plan, disability insurance plan, medical insurance plan, life insurance program, or other plan or arrangement of the Corporation established for its executives or employees, and the provisions of this Agreement shall not affect any such compensation, incentives or benefits. The Board of Directors of the Corporation, in its discretion, may award the Executive such additional compensation, incentives or benefits, pursuant to such plans or otherwise, as it may from time to time determine.

7. Termination of this Agreement. This Agreement shall terminate when the Corporation has made the last payment provided for hereunder; provided, however, that the obligations

set forth under Section 5(d) of this Agreement shall survive any such termination and shall remain in full force and effect. Without the written consent of the Executive, the Corporation shall have no right to terminate this Agreement prior thereto. In the event the Executive, or his beneficiaries, as the case may be, and the Corporation shall disagree as to their respective rights and obligations under this Agreement, and the Executive or his beneficiaries are successful in establishing, privately or otherwise, that his or their position is substantially correct, or that the Corporation's position is substantially wrong or unreasonable, or in the event that the disagreement is resolved by settlement, the Corporation shall pay all costs and expenses, including counsel fees, which the Executive or his beneficiaries may incur in connection therewith directly to the provider of the services or as may otherwise be directed by the Executive or his beneficiaries. The Corporation shall not delay or reduce the amount of any payment provided for hereunder or setoff or counterclaim against any such amount for any reason whatever; it is the intention of the Corporation and the Executive that the amounts payable to the Executive or his beneficiaries hereunder shall continue to be paid in all events in the manner and at the times herein provided. All payments made by the Corporation hereunder shall be final and the Corporation shall not seek to recover all or any part of any such payments for any reason whatsoever.

## 8. Additional payments by Corporation.

(a) Notwithstanding anything in this Agreement or any other agreement to the contrary, in the event it shall be determined that any payment or distribution by the Corporation or any affiliate (as defined under the Securities Act of 1933, as amended, and the regulations thereunder) thereof or any other person to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement, pursuant to all non-qualified stock option plans of the Corporation now or hereafter in effect pursuant to the IDEX Corporation Supplemental Executive Retirement Plan, pursuant to the IDEX Corporation 1996 Deferred Compensation Plan for Officers, pursuant to any other plan of deferred compensation, or pursuant to any other agreement or arrangement with the Corporation or any affiliate thereof now or hereafter in effect (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Code, or any successor statute thereto, or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including, without limitation, any interest or penalties imposed with respect to such taxes and any

Excise Tax) imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments.

(b) The Executive and/or the Corporation shall notify each other in writing as soon as practicable of any claim by the Internal Revenue Service that, if successful, would require the payment by the Corporation of the Gross-Up Payment. Such notification shall state the nature of such claim and the date on which such claim is requested to be paid. Neither the Executive nor the Corporation shall pay such claim for taxes prior to the expiration of the thirty-day period following the date on which the notice is given (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Executive or Corporation (hereafter the "Notifying Party") notifies the other party in writing prior to the expiration of such period that he or it desires to contest such claim, such other party shall take such action, in connection with contesting such claim as the Notifying Party shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Notifying Party and approved by the other party, provided, however, that the Corporation shall bear and pay directly all costs and expenses (including additional interest and penalties and counsel fees as submitted) incurred in

connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Furthermore, if the Corporation is the Notifying Party, the Corporation's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

9. Assurances on liquidation. The Corporation agrees that until the termination of this Agreement as above provided, it will not voluntarily liquidate or dissolve, or enter into or be a party to any other transaction the effect of which would be to materially reduce the net assets or operations of the Corporation, without first making a written agreement with the Executive or other beneficiary, satisfactory to and approved by him or such beneficiary in writing within 30 days of receipt of a notice from the Corporation of such proposed liquidation, dissolution or other transaction, in fulfillment of or in lieu of its obligations to him or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation or, in the absence of such agreement, paying him or such beneficiary in a lump sum settlement of all such obligations

prior to such proposed liquidation, dissolution or other transaction. Notwithstanding anything in the preceding sentence to the contrary, in the event that pursuant to the preceding sentence the Corporation is obligated to pay to the Executive or such beneficiary in a lump sum settlement all of the obligations of the Corporation to the Executive or such beneficiary under this Agreement or any other agreement, plan, policy or program of the Corporation, the Executive or, in the event of his death or inability to act, his wife or, if not surviving, his eldest surviving child (or in the event of their inability to act, such person who has the legal power to act on their behalf), shall have the right, in his or her sole discretion, to elect not to receive a lump sum settlement of the obligations of the Corporation to the Executive or other beneficiary under Section 5(c)(3) of this Agreement and, in lieu thereof, to receive a guaranty (including, without limitation, a letter of credit), in form and substance satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion, of the payment of such obligations from any entity satisfactory to the Executive or other beneficiary, as the case may be, in his or her sole discretion. Any lump sum settlement shall reflect a reasonable assumption of cost-of-living adjustments, if appropriate to such obligation, and shall be determined using the mortality assumptions of the "applicable mortality table" under Section 417(e) of the Code and either (i) the interest rate that

would be used (as of the date of payment) by the Pension Benefit Guaranty Corporation for purposes of valuing a lump sum distribution upon a plan termination on the January 1 of the calendar year in which the single sum is paid or (ii) the "applicable interest rate" under Section 417(e) of the Code, determined as of the first month of the calendar year in which the single sum is paid, whichever would produce the greater single sum amount. For purposes of this Subsection, the Corporation shall be deemed to include on a consolidated basis all subsidiaries and other affiliated corporations or other entities with the same effect as if they were divisions.

10. Definitions. For purposes of this Agreement, the term "year" shall mean fiscal year, the term "dependents" shall have the same meaning as pursuant to Section 152 of the Code and the terms "his 56th year" and "his 60th year" shall mean immediately following the Executive's 55th birthday and 59th birthday respectively. For purposes of this Agreement, disability shall mean a disability which is, or has the potential to be, total and permanent and because of which the Executive is or may become physically or mentally unable to substantially perform his regular duties as an Executive of the Corporation. Any question as to the existence, extent or potentiality of disability of the Executive upon which the Executive and the Corporation cannot agree shall be determined by a qualified

independent physician selected by the Executive and reasonably acceptable to the Corporation (or, if the Executive is unable to make such selection, it shall be made by any adult member of his immediate family). The determination of such physician made in writing to the Corporation and to the Executive shall be final and conclusive for all purposes of this Agreement.

11. Amendments. This Agreement may not be amended or modified orally, and no provision hereof may be waived, except in a writing signed by the parties hereto, and specifically the agreement of any beneficiary, wife, dependents or other potential or actual third party beneficiary shall not be required, except as specifically provided for in this Agreement.

12. Assignment. This Agreement cannot be assigned by either party hereto except with the written consent of the other.

13. Binding effect. This Agreement shall be binding upon and inure to the benefit of the personal representatives and successors in interest of the Executive and any successors in interest of the Corporation. In addition to inuring to the benefit of the Executive, Sections 5(a) and 5(b) are intended to inure to the benefit of the Executive's beneficiaries, Section 5(c)(2) is intended to inure to the benefit of the Executive's beneficiaries, to the extent contemplated in that provision,

Section 5(c)(3) is intended to inure to the benefit of the Executive's wife and his dependents, and Section 7, Section 8 and Section 9 are intended to inure to the benefit of the Executive's beneficiaries; such provisions shall be enforceable by the aforesaid beneficiaries, wife and/or dependents, as the case may be, who upon the Executive's death shall be deemed successors in interest.

14. Choice of law. This Agreement shall be governed by the law of the State of Illinois (excluding the law of the State of Illinois with regard to conflicts of law) as to all matters, including but not limited to matters of validity, construction, effect and performance.

15. Notice. Except as otherwise provided in this Agreement, all notices and other communications given pursuant to this Agreement shall be deemed to have been properly given if personally delivered or mailed, addressed to the appropriate party at the address of such party as shown at the beginning of this Agreement, postage prepaid, by certified mail or by Federal Express or similar overnight courier service. A copy of any notice sent pursuant to this section shall also be sent to Hodgson, Russ, Andrews, Woods & Goodyear, 1800 one M&T Plaza, Buffalo, New York, 14203, Attention: Richard E. Heath, Esq. and Dianne Bennett, Esq. Any party may from time to time designate by written notice given in accordance with the provisions of this

paragraph any other address or party to which such notice or communication or copies thereof shall be sent.

16. Severability of provisions. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby and this Agreement shall be interpreted as if such invalid, illegal or unenforceable provision was not contained herein.

17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name and on its behalf as of the date first above written.

/s/ Jerry N. Derck

\_\_\_\_\_  
Jerry N. Derck

DATE OF EXECUTION: December 7, 1996

IDEX CORPORATION

/s/ Donald N. Boyce

By: \_\_\_\_\_  
Donald N. Boyce, President

DATE OF EXECUTION: December 10, 1996

The undersigned hereby executes this Amendment to evidence her agreement to be bound by the terms of Subsection 5(c)(2) of the Employment Agreement.

/s/ Maryann Derck

\_\_\_\_\_  
Maryann Derck

DATE OF EXECUTION: December 7, 1996

3-MOS  
DEC-31-1996  
MAR-31-1997  
4,220  
0  
92,941  
2,458  
97,158  
197,855  
239,272  
139,781  
571,898  
88,226  
256,286  
0  
0  
292  
202,619  
571,898  
151,839  
151,839  
92,928  
125,577  
(137)  
137  
5,010  
21,115  
7,720  
13,395  
0  
0  
0  
13,395  
0.45  
0