



Corporate Governance Guidelines

The most important corporate objective of IDEX Corporation (the "Company") is to conduct business activities so as to enhance the value of the enterprise. The Directors of the Company are elected by the stockholders with the responsibility to oversee and direct management to achieve this objective. The Board's responsibilities require regularly monitoring the effectiveness of management policies and decisions, including execution of its strategies, and holding senior management accountable for the pursuit of the corporate objective.

Composition of Board of Directors

Size of the Board. The Board consists of seven Directors. The Board's optimal size is approximately six to nine members. Currently the Board is classified into three classes of approximately equal size. Each year one class of Directors is nominated for election for a three-year term or until their successors qualify and are elected by the shareholders. The Nominating and Corporate Governance Committee may make recommendations to the Board concerning the composition of the Board including its size and qualifications for membership.

Mix of Employee and Independent Directors. As a matter of policy, a majority of the Directors shall be independent in accordance with New York Stock Exchange listing standards. The determination that a Director is independent shall be made by the Board following a review of all relevant information and a recommendation by the Nominating and Corporate Governance Committee. The Company shall discuss its determination of Director "independence" in its annual proxy statement.

Term Limits and Retirement. The Board has not established term limits, but on a regular basis the Nominating and Corporate Governance Committee shall review each Director's continuation on the Board. A Director must retire by the end of the term following such Director's 75th birthday. However, the Board upon the recommendation of the Nominating and Corporate Governance Committee may waive the requirement in any particular case or change the retirement age if it is in the Company's best interest.

Board Membership Criteria

The Board seeks a diverse group of candidates who possess the background, skills and expertise to make a significant contribution to the Board, to the Company and its stockholders. Selection of an individual reflects demonstration of the following qualities:

Experience (in one or more of the following):

- high level leadership experience in business or administrative activities;
- specialized expertise in the industry;
- financial expertise;
- breadth of knowledge about issues affecting the Company; and
- ability and willingness to contribute special competencies to Board activities.

Personal attributes:

- personal integrity;
- loyalty to the Company and concern for its success and welfare and willingness to apply sound independent business judgment;
- awareness of a director's vital part in the Company's good corporate citizenship and corporate image;
- time available for meetings and consultation on Company matters; and
- willingness to assume fiduciary responsibilities.

Qualified candidates for membership on the Board shall be considered without regard to race, color, religion, sex, ancestry, national origin or disability. Annually, the Nominating and Corporate Governance Committee shall review the qualifications and backgrounds of the Directors, as well as the overall composition of the Board, and recommend to the full Board the slate of Directors to be recommended for nomination for election at the annual meeting of stockholders. Nominations to the Board may also be submitted to the Nominating and Corporate

Governance Committee by the Company's stockholders. The Chairman of the Nominating and Corporate Governance Committee, acting on behalf of the full Board, shall extend the formal invitation to become a member of the Board of Directors.

Role of the Board of Directors

The Board of Directors of the Company performs, among others, the following principal functions (some of which may be delegated to one or more committees):

- reviews and approves a Code of Business Conduct and Ethics for Directors, officers and employees;
- selects, evaluates and compensates the Chief Executive Officer and other Company senior officers;
- plans for senior management succession;
- reviews and approves management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized; monitors corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the business is being properly managed; and reviews such performance in relation to the performance of peer companies and the industry as a whole;
- monitors ethical behavior and compliance with laws and regulations, the Company's Code of Business Conduct and Ethics, auditing and accounting principles and the governing documents; assesses its own effectiveness in fulfilling these and other Board responsibilities and performs such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents; and
- oversees the procedures in place to ensure the integrity of the Company's financial statements.

In general, the Board of Directors oversees all major actions proposed to be taken by management and reviews corporate policy regarding authorizations and approvals that commit the Company to a significant course of action.

Director Compensation

The Compensation Committee is responsible for recommending and approving Board compensation. Non-employee Directors receive cash compensation and participate in the Company's Director Stock Option Plan that provides initial and annual stock option grants. Management reviews with the Compensation Committee on an annual basis the status of Board compensation relative to a peer industry survey group. Director compensation shall be in an amount which is competitive with the market and geared toward attracting and retaining qualified Directors.

Share Ownership of Directors

The Board believes that Directors should be stockholders and have a financial stake in the Company. In order to more closely align the economic interests of Directors and stockholders, Directors must hold a specified amount of common stock in the Company (and/or common stock-equivalent units in the Company's Directors Deferred Compensation Plan) as determined by the Compensation Committee.

Affiliations and Conflicts of Directors

It is the responsibility of each Director to advise the Chairman of the Board and the Nominating and Corporate Governance Committee through its Chairman of any affiliation with public or privately held businesses or enterprises that may create a potential conflict of interest, potential embarrassment to the Company or possible inconsistency with Company policies or values. The Company annually solicits information from Directors in order to monitor potential conflicts of interest and Directors are expected to be mindful of their fiduciary obligations to the Company.

There is no limit on the number of other board memberships Directors may hold (subject to New York Stock Exchange rules regarding membership on audit committees), but such number is considered when evaluating the candidate for nomination to the Board. A Director should advise the Chairman of the Board and Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on another public company board.

Any Director who experiences a significant change in such Director's principal business, occupation or position is expected to consult with the Nominating and Corporate Governance Committee on the potential impact, if any, the change may have on continued Board service, and offer to resign from the Board. The Nominating and Corporate Governance Committee will make a recommendation as to the continued Board service of the Director under such circumstances.

Chairman of the Board

The Board does not have a policy on whether the role of the Chief Executive Officer and the Chairman should be separate. When the Chief Executive Officer holds the position of Chairman of the Board, an outside Director shall chair the executive sessions of the Board which are not attended by the Chief Executive Officer.

New Director Orientation and Continuing Education

All new Directors must participate in the Company's orientation program, which shall be conducted in a timely manner after the election of a new Director. This orientation shall include background materials, meetings with senior management to familiarize new Directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. In addition, the orientation program shall include visits to Company headquarters and certain of the Company's significant facilities. Management shall develop continuing education programs for the Directors which shall provide for regular exposure to various aspects of the Company.

Board Meetings

Number of Meetings. The Board meets at regularly scheduled meetings approximately six times a year.

Location of Meetings. Meetings shall generally take place at the Company's headquarters; however, to provide Directors with first-hand knowledge to make strategic decisions and for their continuing education about the environment in which the Company operates and competes, meetings are occasionally held at locations other than the corporate headquarters.

Board Agenda and Materials. While the Board believes that a carefully planned agenda is important for effective Board meetings, the agenda is flexible enough to accommodate unexpected developments.

- The items on the agenda are typically determined by the Chairman in consultation with the Board. Any Director may request that an item be included on the agenda.
- At Board meetings, ample time is scheduled to allow full discussion of important matters. Management presentations are scheduled to permit an appropriate portion of Board meeting time to be available for discussion and comments.
- It is important for Directors to receive information sufficiently in advance of Board meetings so they have an opportunity to prepare for discussion of the items at the meeting. At each meeting any written materials not available in advance shall be provided to each Director. On those occasions when it may not be appropriate or practical to put the subject matter in writing, it shall be presented and sufficiently discussed at the meeting. Significant items requiring Board approval may be reviewed in one or more meetings and voted upon in subsequent meetings, with the intervening time being used for clarification and discussion of relevant issues.

The foregoing guidelines are equally applicable to Committee meetings.

Executive Sessions. Executive sessions are those sessions including the independent Directors and should be called by the Chairman of the Nominating and Corporate Governance Committee. These meetings should generally occur at each in-person meeting of the Board. The presiding Director, for purposes of leading these meetings, shall be the Chairman of the Nominating and Corporate Governance Committee, unless the Board determines otherwise and such presiding Director is disclosed in the Company's annual proxy statement.

Regular Attendance. Directors are expected to attend all Board meetings. The Chairman designates the management and guest attendees at any Board meeting who are present for the purpose of making presentations, responding to questions by the Directors, or providing counsel on specific matters within their areas of expertise. Such persons do not attend Executive Sessions unless their presence is requested.

Board Committees

Number of Committees. The Board currently is organized into four committees: Executive, Audit, Nominating and Corporate Governance and Compensation. The Audit, Nominating and Corporate Governance and Compensation committees shall each have their own charters, and all members of these Committees shall be independent Directors under standards established by the New York Stock Exchange. The Board may, from time to time,

establish or maintain additional committees as necessary or appropriate.

Executive Committee: The Executive Committee may exercise all of the powers of the Board of Directors in the management of the Company between meetings of the Board of Directors, except that it may not exercise certain enumerated powers set forth in the Company's by-laws.

Audit Committee: The Audit Committee oversees the Company's auditing, accounting, financial reporting and internal control functions, appoints the Company's independent accounting firm and approves its services.

Nominating and Corporate Governance Committee: The Nominating and Corporate Governance Committee considers and recommends to the Board nominees for senior officers and nominees for election as Directors (pursuant to criteria approved by the Board), including nominees recommended by stockholders, oversees evaluation of the Board, Board committees and management, and develops and recommends Corporate Governance Guidelines and a Code of Business Conduct and Ethics to the Board and oversees implementation.

Compensation Committee. The Compensation Committee makes recommendations to the Board concerning Directors' compensation and determines senior officers' compensation. In addition, the Compensation Committee makes recommendations to the Board regarding benefits to be provided to Directors, senior officers and certain other employees of the Company.

Committee Assignments and Rotation. The Nominating and Corporate Governance Committee, after considering to the extent practicable the desires of Board members, recommends committee assignments to the full Board for approval. These assignments are made not less frequently than once a year generally following the annual meeting of shareholders. Rotation of Committee members and Chairs should occur only if rotation is likely to enhance Committee performance or facilitate its work.

Frequency of Committee Meetings and Committee Agendas. The Chairman of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, shall develop the committee's agenda. At the beginning of the year each committee shall establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee shall be furnished to all Directors.

Report of Committee Meetings. Each committee shall periodically report to the Board on its activities and make such recommendations and findings as it deems appropriate.

Evaluations and Other Matters

Assessing the Board and Committee Performance. The Board of Directors shall conduct an annual self-evaluation to determine whether it is functioning effectively. The Nominating and Governance Committee shall receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. This shall be discussed with the full Board following the end of each fiscal year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

Formal Evaluation of the Chief Executive Officer. In consultation with the Compensation Committee, the Nominating and Corporate Governance Committee evaluates the Chief Executive Officer annually, and reviews its actions with the Board of Directors. The Board communicates its views to the Chief Executive Officer through the Chairman of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee's evaluation of the Chief Executive Officer is based upon a combination of objective and subjective criteria which are disclosed each year in the Company's annual proxy statement.

Succession Planning. The Chief Executive Officer shall confer periodically with the Nominating and Corporate Governance Committee on succession plans for senior management. The Nominating and Corporate Governance Committee also reports periodically to the Board on succession planning for senior management.

Management Development. The Chief Executive Officer shall report regularly to the Nominating and Corporate Governance Committee on management development activities.

Securities Laws. Each Director is required to complete a Directors' Questionnaire in the form distributed by the Company in preparation for the annual proxy statement filed with the SEC and distributed to stockholders. This questionnaire may also be circulated before the Company files any registration statement with the SEC. Each Director is expected to comply with the Company's policies on insider trading and reporting.

Board Interaction with Institutional Investors, the Press, Customers, Etc. The Board looks to management to speak for the Company but recognizes that individual Directors may sometimes communicate with third parties on matters affecting the Company. Before doing so, to the extent feasible, Directors are encouraged to consult with management.

The Board of Directors believes that corporate governance is an evolving process and periodically reviews and updates these guidelines. For the most recent guidelines, please see the Company's website at www.idexcorp.com/.