UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2012

or

☐ **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: 1-4018

Dover Corporation

(Exact name of registrant as specified in its charter)

Delaware	**53-0257888**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3005 Highland Parkway	
Downers Grove, Illinois	**60515**
(Address of principal executive offices)	(Zip Code)

(630) 541-1540
(Registrant's telephone number, including area code)

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 ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12-b-2 of the Exchange Act.

Large accelerated filer ☑		Accelerated filer ☐
Non-accelerated filer ☐	(Do not check if smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares outstanding of the Registrant's common stock as of July 12, 2012 was 182,806,862.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

DOVER CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS
(in thousands, except per share figures)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	**2011**	**2012**	**2011**
Revenue	$ 2,156,508	$ 1,994,970	$ 4,219,872	$ 3,807,048
Cost of goods and services	1,338,911	1,218,974	2,621,951	2,319,301
Gross profit	817,597	775,996	1,597,921	1,487,747
Selling and administrative expenses	494,050	448,399	974,930	901,826
Operating earnings	323,547	327,597	622,991	585,921
Interest expense, net	29,717	28,157	59,744	56,475
Other expense, net	142	1,477	2,764	2,665
Earnings before provision for income taxes and discontinued operations	293,688	297,963	560,483	526,781
Provision for income taxes	80,786	58,765	150,754	112,792
Earnings from continuing operations	212,902	239,198	409,729	413,989
Earnings from discontinued operations, net	1,199	10,571	435	30,685
Net earnings	$ 214,101	$ 249,769	$ 410,164	$ 444,674
Comprehensive earnings	$ 120,514	$ 269,404	$ 357,819	$ 535,970
Earnings per share from continuing operations:				
Basic	$ 1.16	$ 1.28	$ 2.23	$ 2.22
Diluted	$ 1.15	$ 1.26	$ 2.20	$ 2.18
Earnings per share from discontinued operations:				
Basic	$ 0.01	$ 0.06	$ —	$ 0.16
Diluted	$ 0.01	$ 0.06	$ —	$ 0.16
Net earnings per share:				
Basic	$ 1.17	$ 1.34	$ 2.23	$ 2.38
Diluted	$ 1.15	$ 1.32	$ 2.20	$ 2.34
Dividends paid per common share	$ 0.315	$ 0.275	$ 0.63	$ 0.55

See Notes to Condensed Consolidated Financial Statements

DOVER CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	June 30, 2012	December 31, 2011
Current assets:		
Cash and cash equivalents	$ 785,965	$ 1,206,755
Receivables, net of allowances of $25,902 and $24,987	1,320,245	1,190,265
Inventories, net	921,040	803,346
Prepaid and other current assets	137,975	154,859
Deferred tax assets	40,089	41,905
Total current assets	3,205,314	3,397,130
Property, plant and equipment, net	1,086,151	1,000,870
Goodwill	4,021,133	3,787,117
Intangible assets, net	1,370,810	1,207,084
Other assets and deferred charges	117,969	104,808
Assets of discontinued operations	3,028	4,441
Total assets	$ 9,804,405	$ 9,501,450
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 3,402	$ 1,022
Accounts payable	620,598	543,924
Accrued compensation and employee benefits	279,934	281,611
Accrued insurance	103,400	104,172
Other accrued expenses	228,005	234,382
Federal and other taxes on income	26,370	37,870
Total current liabilities	1,261,709	1,202,981
Long-term debt	2,191,750	2,186,230
Deferred income taxes	508,082	411,163
Other liabilities	636,046	650,604
Liabilities of discontinued operations	96,554	119,917
Stockholders' equity:		
Total stockholders' equity	5,110,264	4,930,555
Total liabilities and stockholders' equity	$ 9,804,405	$ 9,501,450

See Notes to Condensed Consolidated Financial Statements

DOVER CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(in thousands, except share data)
(unaudited)

	Common Stock $1 Par Value	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock	Total Stockholders' Equity
Balance at December 31, 2011	$ 250,592	$ 663,289	$ 6,629,116	$ (47,510)	$ (2,564,932)	$ 4,930,555
Net earnings	—	—	410,164	—	—	410,164
Dividends paid	—	—	(115,714)	—	—	(115,714)
Common stock issued for acquisition	1,636	98,974	—	—	—	100,610
Common stock issued for options exercised	880	6,033	—	—	—	6,913
Tax benefit from the exercise of stock options	—	12,440	—	—	—	12,440
Stock-based compensation expense	—	16,565	—	—	—	16,565
Common stock acquired	—	—	—	—	(198,924)	(198,924)
Other comprehensive loss, net of tax	—	—	—	(52,345)	—	(52,345)
Balance at June 30, 2012	$ 253,108	$ 797,301	$ 6,923,566	$ (99,855)	$ (2,763,856)	$ 5,110,264

Preferred Stock: $100 par value per share; 100,000 shares authorized; no shares issued.

See Notes to Condensed Consolidated Financial Statements

DOVER CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Six Months Ended June 30,	
	2012	**2011**
Operating Activities of Continuing Operations		
Net earnings	$ 410,164	$ 444,674
Adjustments to reconcile net earnings to cash from operating activities:		
Gain from discontinued operations, net	(435)	(30,685)
Depreciation and amortization	176,672	136,056
Stock-based compensation	16,106	14,007
Loss (gain) on sale of assets	103	(908)
Cash effect of changes in current assets and liabilities (excluding effects of acquisitions, dispositions and foreign exchange):		
Accounts receivable	(102,229)	(169,227)
Inventories	(66,085)	(87,186)
Prepaid expenses and other assets	(16,701)	(4,416)
Accounts payable	53,261	91,329
Accrued expenses	(56,911)	(68,797)
Accrued and deferred taxes, net	14,021	(1,673)
Other, net	(15,719)	(411)
Net cash provided by operating activities of continuing operations	412,247	322,763
Investing Activities of Continuing Operations		
Proceeds from sale of short-term investments	—	124,410
Proceeds from the sale of property, plant and equipment	6,133	4,976
Additions to property, plant and equipment	(145,787)	(123,717)
Proceeds from the sale of businesses	—	4,816
Settlement of net investment hedge	—	(18,211)
Increase in restricted cash	(20,548)	—
Acquisitions, including adjustment for prior year acquisition purchase price (net of cash and cash equivalents acquired)	(354,270)	(424,624)
Net cash used in investing activities of continuing operations	(514,472)	(432,350)
Financing Activities of Continuing Operations		
Change in notes payable, net	—	31,145
Reduction of long-term debt	(130)	(400,458)
Proceeds from long-term debt, net of discount and issuance costs	—	788,971
Purchase of common stock	(198,924)	(98,382)
Proceeds from exercise of stock options and SARs, including tax benefits	19,353	34,118
Dividends to stockholders	(115,714)	(102,605)
Net cash (used in) provided by financing activities of continuing operations	(295,415)	252,789
Cash Flows from Discontinued Operations		
Net cash (used in) provided by operating activities of discontinued operations	(21,515)	14,492
Net cash used in investing activities of discontinued operations	—	(2,669)
Net cash (used in) provided by discontinued operations	(21,515)	11,823
Effect of exchange rate changes on cash and cash equivalents	(1,635)	56,166
Net (decrease) increase in cash and cash equivalents	(420,790)	211,191
Cash and cash equivalents at beginning of period	1,206,755	1,189,079
Cash and cash equivalents at end of period	$ 785,965	$ 1,400,270

See Notes to Condensed Consolidated Financial Statements

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements, in accordance with Securities and Exchange Commission ("SEC") rules for interim periods, do not include all of the information and notes required by accounting principles generally accepted in the United States of America for complete financial statements and should be read in conjunction with the Dover Corporation ("Dover" or the "Company") Annual Report on Form 10-K for the year ended December 31, 2011, which provides a more complete understanding of the Company's accounting policies, financial position, operating results, business properties and other matters. The year-end condensed consolidated balance sheet was derived from audited financial statements. As discussed in Note 9, the Company is reporting certain businesses that were sold during the third and fourth quarters of 2011 as discontinued operations. Therefore, the Company has classified the results of operations of these businesses as discontinued operations for all periods presented. It is the opinion of management that these financial statements reflect all adjustments necessary for a fair statement of the interim results. The results of operations of any interim period are not necessarily indicative of the results of operations for the full year.

2. Acquisitions

The following table details the acquisitions made during the six months ended June 30, 2012.

2012 Acquisitions

Date	Type	Company / Product Line Acquired	Location (Near)	Segment
Jan 1	Asset	Quattroflow Fluid Systems	Kamp-Lintfort, Germany	Engineered Systems
Manufacturer of positive displacement pumps primarily serving the pharmaceutical and biotech industries.				
Mar 14	Stock	Maag Pump Systems	Grossostheim, Germany	Engineered Systems
Manufacturer of gear pump technology, pelletizing systems and engineered integrated solutions for the polymer, plastic, chemical and petrochemical industries.				
Apr 25	Stock	Production Control Services (PCS)	Fredrick, Colorado	Energy
Manufacturer of products in artificial lift and production optimization, including plunger lift, gas lift, nitrogen generation, and well site automation.				

The Company acquired these businesses in three separate transactions for net cash consideration of $399,270. Additionally, the acquisition of PCS was funded in part with common stock valued at $100,610 at the date of acquisition, so aggregate consideration for 2012 year-to-date acquisitions totaled $499,880. As a result of these acquisitions, the Company recorded approximately $195,192 of customer-related intangible assets (weighted average lives of 11 years), $15,940 of trademarks (weighted average lives of 11 years), and $37,666 of other intangibles (weighted average lives of 7 years). These acquisitions resulted in the recognition of goodwill totaling $263,405, of which $6,399 is expected to be deductible for tax purposes. In connection with the acquisition of Maag Pump Systems, the Company also provided restricted-use cash collateral to secure Maag's outstanding bank guarantees at the date of acquisition. At June 30, 2012, the outstanding amount of collateral totaled $ 15,848, which will decline as the guarantees expire or they are migrated to the Company's credit facility.

These businesses manufacture products in the energy and fluid solutions markets, two key growth areas for the Company. The businesses were acquired to complement and expand upon existing operations within the Energy segment and the Fluid Solutions platform of the Engineered Systems segment. The goodwill identified by these acquisitions reflects the benefits expected to be derived from product line expansion and operational synergies. Upon consummation of the acquisitions, each of these entities is now wholly-owned by Dover.

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

The following presents the allocation of acquisition cost to the assets acquired and liabilities assumed, based on their estimated fair values:

Current assets, net of cash acquired	$	100,689
Property, plant and equipment		52,392
Goodwill		263,405
Intangible assets		248,798
Other non-current assets		5,904
Total liabilities		(171,308)
Net assets acquired	$	499,880

The Company is in the process of finalizing appraisals of tangible and intangible assets and continuing to evaluate the initial purchase price allocations for the Maag and PCS acquisitions. Accordingly, management has used its best estimates in the preliminary purchase price allocations as of the date of these financial statements. As additional information is obtained about these assets and liabilities within the measurement period (not to exceed one year from the date of acquisition), including through asset appraisals and learning more about the newly acquired businesses, the Company expects to refine its estimates of fair value to allocate the purchase price more accurately; however, any such revisions are not expected to be significant.

The Unaudited Condensed Consolidated Statements of Comprehensive Earnings include the results of these businesses from the dates of acquisition. The aggregate revenue of the 2012 acquisitions included in the Company's consolidated revenue totaled $63,492 and $74,884 for the three and six months ended June 30, 2012, respectively.

In April 2012, the Company received approximately $45,000 as final payment for settlement of purchase price adjustments for post-acquisition contingencies relating to the 2011 Sound Solutions acquisition. This amount is reported within cash paid for acquisitions in the Condensed Consolidated Statement of Cash Flow for the six months ended June 30, 2012 and had no impact to the Company's earnings for the three and six months ended June 30, 2012.

Pro Forma Information

The following unaudited pro forma information illustrates the effect on the Company's revenue and net earnings for the three and six months ended June 30, 2012 and 2011, assuming that the 2012 acquisitions had taken place at the beginning of 2011. As a result, the supplemental pro forma net earnings reflect adjustments to the net earnings as reported in the Unaudited Condensed Consolidated Statements of Comprehensive Earnings for the three and six months ended June 30, 2012 to exclude $1,460 and $3,285, respectively, of acquisition-related costs (after-tax) and $5,826 and $6,642, respectively, of nonrecurring expense related to the fair value adjustments to acquisition-date inventory (after-tax). The supplemental pro forma earnings for the comparable 2011 periods were adjusted to include these charges as if they were incurred at the beginning of 2011. The 2012 and 2011 supplemental pro forma earnings are also adjusted to reflect the comparable impact of additional depreciation and amortization expense (net of tax) resulting from the fair value measurement of tangible and intangible assets relating to 2012 and 2011 acquisitions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue from continuing operations:				
As reported	$ 2,156,508	$ 1,994,970	$ 4,219,872	$ 3,807,048
Pro forma	2,162,905	2,151,189	4,286,092	4,119,193
Earnings from continuing operations:				
As reported	$ 212,902	$ 239,198	$ 409,729	$ 413,989
Pro forma	220,623	239,168	424,693	406,865
Basic earnings per share from continuing operations:				
As reported	$ 1.16	$ 1.28	$ 2.23	$ 2.22
Pro forma	1.20	1.28	2.31	2.18
Diluted earnings per share from continuing operations:				
As reported	$ 1.15	$ 1.26	$ 2.20	$ 2.18
Pro forma	1.19	1.26	2.28	2.14

DOVER CORPORATION
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(unaudited)(in thousands, except share data)

These pro forma results of operations have been prepared for comparative purposes only, and they do not purport to be indicative of the results of operations that actually would have resulted had the acquisitions occurred on the dates indicated or that may result in the future.

3. Inventories, net

	June 30, 2012	December 31, 2011
Raw materials	$ 411,529	$ 372,627
Work in progress	201,317	177,016
Finished goods	361,093	309,048
Subtotal	973,939	858,691
Less LIFO reserve	(52,899)	(55,345)
Total	$ 921,040	$ 803,346

4. Property, Plant and Equipment, net

	June 30, 2012	December 31, 2011
Land	$ 63,033	$ 54,113
Buildings and improvements	613,150	586,538
Machinery, equipment and other	2,168,423	2,033,926
	2,844,606	2,674,577
Less accumulated depreciation	(1,758,455)	(1,673,707)
Total	$ 1,086,151	$ 1,000,870

5. Goodwill and Other Intangible Assets

The following table provides the changes in carrying value of goodwill by segment for the six months ended June 30, 2012:

	Communication Technologies	Energy	Engineered Systems	Printing & Identification	Total
Goodwill	$ 1,204,582	$ 622,335	$ 1,005,981	$ 1,024,780	$ 3,857,678
Accumulated impairment loss	—	—	(70,561)	—	(70,561)
Balance at January 1, 2012	1,204,582	622,335	935,420	1,024,780	3,787,117
Acquisitions	—	108,856	154,549	—	263,405
Purchase price adjustments	(6,998)	—	—	—	(6,998)
Foreign currency translation	(12,010)	(228)	(6,988)	(3,165)	(22,391)
Balance at June 30, 2012	$ 1,185,574	$ 730,963	$ 1,082,981	$ 1,021,615	$ 4,021,133

During the six months ended June 30, 2012, the Company recorded adjustments totaling $6,998 to goodwill relating primarily to finalization of the purchase price allocation to assets acquired and liabilities assumed for the 2011 Sound Solutions acquisition.

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

The following table provides the gross carrying value and accumulated amortization for each major class of intangible asset:

	June 30, 2012		December 31, 2011	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized Intangible Assets:				
Trademarks	$ 90,352	$ 23,166	$ 66,428	$ 20,518
Patents	155,163	104,169	145,864	99,990
Customer Intangibles	1,342,060	433,611	1,171,608	380,196
Unpatented Technologies	144,509	104,267	142,405	98,193
Drawings & Manuals	32,802	6,286	8,165	5,153
Distributor Relationships	73,142	30,380	73,162	28,500
Other	46,649	21,678	28,677	20,251
Total	1,884,677	723,557	1,636,309	652,801
Unamortized Intangible Assets:				
Trademarks	209,690		223,576	
Total Intangible Assets	$ 2,094,367	$ 723,557	$ 1,859,885	$ 652,801

Amortization expense totaled $39,938 and $27,229 for the three months ended June 30, 2012 and 2011, respectively. For the six months ended June 30, 2012 and 2011, amortization expense was $75,342 and $54,725.

6. Borrowings

Borrowings consist of the following:

	June 30, 2012	December 31, 2011
4.875% 10-year notes due October 15, 2015	$ 299,342	$ 299,244
5.45% 10-year notes due March 15, 2018	348,103	347,938
4.30% 10-year notes due March 1, 2021	449,774	449,761
6.60% 30-year notes due March 15, 2038	247,727	247,683
5.375% 30-year notes due March 1, 2041	345,432	345,352
6.65% 30-year debentures due June 1, 2028	199,431	199,414
5.375% 30-year debentures due October 15, 2035	296,287	296,208
Other	9,056	1,652
Total long-term debt	2,195,152	2,187,252
Less current installments	(3,402)	(1,022)
	$ 2,191,750	$ 2,186,230

The Company maintains a $1 billion unsecured revolving credit facility which expires on November 10, 2016. The Company primarily uses this facility as liquidity back-up for its commercial paper program and has not drawn down any loans under the $1 billion facility and does not anticipate doing so. The Company generally uses commercial paper borrowings for general corporate purposes, funding of acquisitions and the repurchases of its common stock.

Interest expense and interest income for the three and six months ended June 30, 2012 and 2011 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest expense	$ 31,478	$ 31,080	$ 63,123	$ 62,116
Interest income	(1,761)	(2,923)	(3,379)	(5,641)
Interest expense, net	$ 29,717	$ 28,157	$ 59,744	$ 56,475

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

7. Financial Instruments

Derivatives

The Company is exposed to market risk for changes in foreign currency exchange rates due to the global nature of its operations. In order to manage this risk the Company has hedged portions of its forecasted sales and purchases, which occur within the next twelve months and are denominated in non-functional currencies, with currency forward or collar contracts designated as cash flow hedges. At June 30, 2012 and December 31, 2011, the Company had contracts with U.S. dollar equivalent notional amounts of $53,875 and $83,541, respectively, to exchange foreign currencies, principally the U.S. dollar, euro, pound sterling, Japanese yen, Chinese yuan and Malaysian ringgit. The Company believes it is probable that all forecasted cash flow transactions will occur.

The Company also has an outstanding floating-to-floating cross currency swap agreement for a total notional amount of $50,000 in exchange for CHF 65,100, which expires on October 15, 2015. This transaction continues to hedge a portion of the Company's net investment in CHF-denominated operations. The agreement qualifies as a net investment hedge and the effective portion of the change in fair value is reported within the cumulative translation adjustment section of other comprehensive income. The fair values at June 30, 2012 and December 31, 2011 reflected losses of $20,599 and $21,656, respectively, due to the strengthening of the Swiss franc relative to the U.S. dollar over the term of the arrangement.

The following table sets forth the fair values of derivative instruments held by the Company as of June 30, 2012 and December 31, 2011 and the balance sheet lines in which they are recorded:

	Fair Value Asset (Liability)		
	June 30, 2012	**December 31, 2011**	**Balance Sheet Caption**
Foreign currency forward / collar contracts	$ 203	$ 394	Prepaid / Other assets
Foreign currency forward / collar contracts	(485)	(1,284)	Other accrued expenses
Net investment hedge - cross currency swap	(20,599)	(21,656)	Other liabilities

The amount of gains or losses from hedging activity recorded in earnings is not significant and the amount of unrealized gains and losses from cash flow hedges which are expected to be reclassified to earnings in the next twelve months is not significant; therefore, additional tabular disclosures are not presented. There are no amounts excluded from the assessment of hedge effectiveness and there are no credit risk related contingent features in the Company's derivative instruments.

The Company is exposed to credit loss in the event of nonperformance by counterparties to the financial instrument contracts held by the Company; however, nonperformance by these counterparties is considered unlikely as the Company's policy is to contract with highly-rated, diversified counterparties.

Fair Value Measurements

Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures," establishes a fair value hierarchy that requires the Company to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. ASC 820 establishes three levels of inputs that may be used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs include inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of assets or liabilities.

Level 3 inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

The following table presents the Company's assets and liabilities measured at fair value on a recurring basis as of June 30, 2012 and December 31, 2011:

	June 30, 2012			December 31, 2011		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets:						
Foreign currency cash flow hedges	$ —	$ 203	$ —	$ —	$ 394	$ —
Liabilities:						
Foreign currency cash flow hedges	—	485	—	—	1,284	—
Net investment hedge derivative	—	20,599	—	—	21,656	—

In addition to fair value disclosure requirements related to financial instruments carried at fair value, accounting standards require interim disclosures regarding the fair value of all of the Company's financial instruments.

The estimated fair value of long-term debt at June 30, 2012 and December 31, 2011 was $2,689,647 and $2,679,793, respectively, compared to the carrying value of $2,195,152 and $2,187,252, respectively. The estimated fair value of long-term debt is based on quoted market prices for similar instruments and is, therefore, classified as Level 2 within the valuation hierarchy.

The carrying values of cash and cash equivalents, trade receivables, accounts payable, and notes payable are reasonable estimates of their fair values as of June 30, 2012 and December 31, 2011 due to the short-term nature of these instruments.

8. Income Taxes

For the three and six months ended June 30, 2012, the effective tax rates for continuing operations before consideration of discrete items were relatively flat as compared with the prior year periods. The pre-discrete tax rate was 27.4% and 27.1% for the respective three and six months ended June 30, 2012, and 27.2% for each of the comparable three and six month periods of 2011. Net discrete items of $(372) for the second quarter and $1,060 year to date did not significantly impact the 2012 effective tax rates. Discrete items totaling $22,338 in the second quarter of last year and $30,354 in the first half of last year reduced 2011 effective tax rates to 19.7% and 21.4%, respectively, for the comparable three and six month reporting periods. The unfavorable impact of increased U.S. earnings mix in the 2012 periods was more than offset by the favorable impact of lower effective tax rates in foreign jurisdictions neutralizing rates on a comparative year over year, pre-discrete basis. The Company believes uncertain tax positions could be settled within the next twelve months, for which an estimate cannot currently be made due to the uncertainties associated with the resolution of these matters.

9. Discontinued Operations

Management evaluates Dover's businesses periodically for their strategic fit within Dover's operations. Accordingly, the Company decided to sell certain businesses within its Engineered Systems segment. Paladin Brands and Crenlo LLC, two businesses that serve construction related end markets, were sold during the third quarter of 2011 and Heil Trailer International, a manufacturer of specialty transportation trailers and equipment, was sold during the fourth quarter of 2011.

In connection with these disposals, for all periods presented, the Company has reclassified the results of these businesses into discontinued operations in the Unaudited Condensed Consolidated Statements of Comprehensive Earnings.

DOVER CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)(in thousands, except share data)

Summarized results of the Company's discontinued operations are as follows:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Revenue	$ —	$ 164,162	$ —	$ 313,383
Gain on sale, net of taxes	$ 1,860	$ —	$ 1,860	$ —
Earnings (loss) from operations before taxes	$ (326)	$ 13,766	$ (1,112)	$ 26,304
(Provision) benefit for income taxes	(335)	(3,195)	(313)	4,381
Earnings from discontinued operations, net of tax	$ 1,199	$ 10,571	$ 435	$ 30,685

The gain on sale, net of taxes for both the three and six months ended June 30, 2012 reflects adjustments to sale proceeds of businesses sold in prior years. The earnings from operations before taxes for both the three and six months ended June 30, 2011 reflects the net earnings generated by the three businesses sold in 2011, coupled with other expense and accrual adjustments.

Assets and liabilities of discontinued operations are summarized below:

	June 30, 2012	December 31, 2011
Assets of Discontinued Operations		
Current assets	$ 2,731	$ 2,832
Non-current assets	297	1,609
	$ 3,028	$ 4,441
Liabilities of Discontinued Operations		
Current liabilities	$ 8,467	$ 31,592
Non-current liabilities	88,087	88,325
	$ 96,554	$ 119,917

At June 30, 2012 and December 31, 2011, the assets and liabilities of discontinued operations consist primarily of tax-related accruals and unrecognized benefits, as well as other accruals for compensation, legal, environmental and warranty contingencies, none of which are individually significant.

10. Restructuring Activities

The following table details restructuring charges incurred by segment for the periods presented:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Communication Technologies	$ 649	$ 891	$ 1,658	$ 1,151
Energy	495	1,387	495	1,797
Engineered Systems	1,301	530	1,426	1,392
Printing & Identification	5,619	(774)	5,988	(827)
Total	$ 8,064	$ 2,034	$ 9,567	$ 3,513

These amounts are classified in the Unaudited Condensed Consolidated Statements of Comprehensive Earnings as follows:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Cost of goods and services	$ 813	$ 1,156	$ 1,229	$ 1,242
Selling and administrative expenses	7,251	878	8,338	2,271
Total	$ 8,064	$ 2,034	$ 9,567	$ 3,513

The restructuring expenses incurred in the three and six months ended June 30, 2012 relate primarily to programs initiated in

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2012, principally a few targeted facility consolidations and headcount reductions intended to better align the Company's operations with the current market dynamics. These programs are expected to be concluded in 2012, with additional expense of approximately $4,000 to be recognized over the remainder of 2012.

Restructuring expenses incurred in the three and six months ended June 30, 2011 also included targeted facility consolidations at certain businesses. These programs were substantially complete by the end of 2011 and the related expenses were not significant.

The following table details the Company's severance and other restructuring accrual activity:

	Severance	Exit	Total
At December 31, 2011	$ 2,463	$ 3,129	$ 5,592
Restructuring charges	8,548	1,019	9,567
Payments	(4,362)	(2,020)	(6,382)
Other, including foreign currency	(20)	(27)	(47)
At June 30, 2012	$ 6,629	$ 2,101	$ 8,730

The accrual balance at December 31, 2011 primarily reflects ongoing lease commitment obligations for facilities closed in earlier periods.

11. Commitments and Contingent Liabilities

Litigation

A few of the Company's subsidiaries are involved in legal proceedings relating to the cleanup of waste disposal sites identified under federal and state statutes which provide for the allocation of such costs among "potentially responsible parties." In each instance, the extent of the Company's liability appears to be very small in relation to the total projected expenditures and the number of other "potentially responsible parties" involved and is anticipated to be immaterial to the Company. In addition, a few of the Company's subsidiaries are involved in ongoing remedial activities at certain current and former plant sites, in cooperation with regulatory agencies, and appropriate reserves have been established.

The Company and certain of its subsidiaries are also parties to a number of other legal proceedings incidental to their businesses. These proceedings primarily involve claims by private parties alleging injury arising out of use of the Company's products, exposure to hazardous substances, patent infringement, employment matters and commercial disputes. Management and legal counsel, at least quarterly, review the probable outcome of such proceedings, the costs and expenses reasonably expected to be incurred and currently accrued to-date, and the availability and extent of insurance coverage. While it is not possible at this time to predict the outcome of these legal actions, in the opinion of management, based on these reviews, it is unlikely that the disposition of the lawsuits and the other matters mentioned above will have a material adverse effect on the financial position, results of operations, or cash flows of the Company.

Letters of Credit

As of June 30, 2012, the Company had approximately $69,860 outstanding in letters of credit and guarantees with financial institutions, which expire at various dates in 2012 through 2016. These letters of credit are primarily maintained as security for insurance, warranty and other performance obligations.

Warranty Accruals

Estimated warranty program claims are provided for at the time of sale. Amounts provided for are based on historical costs and adjusted new claims. The changes in the carrying amount of product warranties through June 30, 2012 and 2011 are as follows:

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	2012	2011
Beginning Balance, January 1	$ 42,524	$ 40,032
Provision for warranties	17,458	18,488
Settlements made	(17,528)	(17,830)
Other adjustments, including acquisitions and currency translation	2,348	730
Ending Balance, June 30	$ 44,802	$ 41,420

12. Employee Benefit Plans

The following tables set forth the components of the Company's net periodic expense relating to retirement and post-retirement benefit plans:

Retirement Plans

Qualified Defined Benefits

	Three Months Ended June 30,				Six Months Ended June 30,			
	U.S. Plan		Non-U.S. Plans		U.S. Plan		Non-U.S. Plans	
	2012	2011	2012	2011	2012	2011	2012	2011
Service Cost	$ 3,601	$ 3,542	$ 1,031	$ 758	$ 7,202	$ 7,084	$ 2,068	$ 1,493
Interest Cost	6,284	6,809	2,100	2,182	12,568	13,618	4,197	4,313
Expected return on plan assets	(9,745)	(9,618)	(1,898)	(2,063)	(19,490)	(19,236)	(3,788)	(4,077)
Amortization:								
Prior service cost	263	326	29	33	526	652	59	63
Recognized actuarial loss	3,379	2,084	121	64	6,758	4,168	241	128
Transition obligation	—	—	(11)	(11)	—	—	(23)	(22)
Other	—	—	51	32	—	—	102	64
Net periodic expense	$ 3,782	$ 3,143	$ 1,423	$ 995	$ 7,564	$ 6,286	$ 2,856	$ 1,962

The net periodic expense reflected above does not included the impact of pension plans related to recent acquisitions. Such amounts are not significant for the periods presented.

Non-Qualified Supplemental Benefits

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Service Cost	$ 1,326	$ 1,016	$ 2,652	$ 2,032
Interest Cost	1,979	1,960	3,958	3,920
Amortization:				
Prior service cost	1,856	1,816	3,712	3,632
Recognized actuarial loss	35	—	70	—
Net periodic expense	$ 5,196	$ 4,792	$ 10,392	$ 9,584

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Post-Retirement Plans

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Service Cost	$ 62	$ 51	$ 124	$ 103
Interest Cost	148	181	296	362
Amortization:				
Prior service cost	(104)	(103)	(208)	(205)
Recognized actuarial gain	(5)	(60)	(10)	(120)
Settlement gains	(1,493)	—	(1,493)	—
Net periodic expense	$ (1,392)	$ 69	$ (1,291)	$ 140

The Company purchased life insurance contracts to settle a portion of the post-retirement obligations relating to employees of two businesses that were sold in 2011, resulting in settlement gains of $1,493, which are included within the results of discontinued operations for the three and six months ended June 30, 2012.

13. Other Comprehensive Earnings

The amounts recognized in other comprehensive earnings were as follows:

	Three Months Ended June 30, 2012			Three Months Ended June 30, 2011		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	$ (91,318)	$ (1,074)	$ (92,392)	$ 1,923	$ 16,837	$ 18,760
Cash flow hedges	(378)	132	(246)	(176)	62	(114)
Pension and other postretirement benefit plans	(1,849)	391	(1,458)	—	—	—
Other	524	(15)	509	1,120	(131)	989
Total other comprehensive (loss) earnings	$ (93,021)	$ (566)	$ (93,587)	$ 2,867	$ 16,768	$ 19,635

	Six Months Ended June 30, 2012			Six Months Ended June 30, 2011		
	Pre-tax	Tax	Net of tax	Pre-tax	Tax	Net of tax
Foreign currency translation adjustments	$ (48,512)	$ (370)	$ (48,882)	$ 74,107	$ 16,837	$ 90,944
Cash flow hedges	377	(132)	245	(575)	201	(374)
Pension and other postretirement benefit plans	(6,316)	2,056	(4,260)	—	—	—
Other	578	(26)	552	869	(143)	726
Total other comprehensive (loss) earnings	$ (53,873)	$ 1,528	$ (52,345)	$ 74,401	$ 16,895	$ 91,296

14. Segment Information

For management reporting and performance evaluation purposes, the Company categorizes its operating companies into four distinct reportable segments. In the fourth quarter of 2011, the Company reorganized into four new business segments that are aligned with the key end-markets they serve: Communication Technologies, Energy, Engineered Systems and Printing & Identification.

Therefore, consistent with the requirements of segment reporting, the Company has revised its operating segments to align with the revised operating and management reporting structure. All information for the prior period has been conformed to the current period presentation.

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Segment financial information and a reconciliation of segment results to consolidated results follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
REVENUE:				
Communication Technologies	$ 361,689	$ 288,843	$ 719,264	$ 558,425
Energy	538,786	454,327	1,070,356	879,751
Engineered Systems	886,123	823,180	1,708,247	1,546,447
Printing & Identification	370,173	429,497	722,505	824,124
Intra-segment eliminations	(263)	(877)	(500)	(1,699)
Total consolidated revenue	$ 2,156,508	$ 1,994,970	$ 4,219,872	$ 3,807,048
EARNINGS FROM CONTINUING OPERATIONS:				
Segment earnings:				
Communication Technologies	$ 50,322	$ 54,527	$ 96,878	$ 101,852
Energy	133,936	110,447	266,051	203,498
Engineered Systems	133,808	128,570	255,900	226,805
Printing & Identification	41,674	67,967	74,279	122,604
Total segments	359,740	361,511	693,108	654,759
Corporate expense / other (1)	36,335	35,391	72,881	71,503
Net interest expense	29,717	28,157	59,744	56,475
Earnings from continuing operations before provision for income taxes and discontinued operations	293,688	297,963	560,483	526,781
Provision for taxes	80,786	58,765	150,754	112,792
Earnings from continuing operations	$ 212,902	$ 239,198	$ 409,729	$ 413,989

(1) Certain expenses are maintained at the corporate level and not allocated to the segments. These expenses include executive and functional compensation costs, non-service pension costs, non-operating insurance expenses, and various administrative expenses relating to the corporate headquarters.

15. Recent Accounting Standards

Recently Adopted Accounting Standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2011-04 which was issued to provide a consistent definition of fair value and ensure that the fair value measurement and disclosure requirements are similar between U.S. GAAP and IFRS. ASU 2011-04 changes certain fair value measurement principles and enhances the disclosure requirements particularly for Level 3 fair value measurements. The Company adopted this guidance on January 1, 2012, and its adoption did not significantly impact the Company's consolidated financial statements.

In June 2011, the FASB issued ASU 2011-05 which provides new guidance on the presentation of comprehensive income. ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in stockholders' equity and instead requires an entity to present the total of comprehensive income, the components of net income and the components of other comprehensive income either in a single continuous statement or in two separate but consecutive statements. This guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011, with early adoption permitted. The adoption of this ASU only requires a change in the format of the current presentation. The Company adopted this guidance for its 2011 year-end reporting, presenting other comprehensive earnings in a separate statement following the statement of earnings. For its condensed interim reporting herein, the Company has reported total comprehensive income using a single-statement approach.

Recently Issued Accounting Pronouncements

In September 2011, the FASB issued ASU 2011-08 which provides an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The revised standard is effective for Dover for its annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The Company performs its annual goodwill impairment test in the fourth quarter and does not expect the adoption of this ASU to significantly impact its consolidated financial statements.

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16. Equity Incentive Program

The Company typically grants SARs and performance shares annually at its regularly scheduled first quarter Compensation Committee meeting. In the first quarters of 2012 and 2011, the Company issued stock settled appreciation rights ("SARs") covering 1,719,943 and 1,524,329 shares, respectively, and 50,416 and 44,751 performance shares, respectively.

The fair value of each SARs grant was estimated on the date of grant using the Black-Scholes option pricing model. The performance share awards are market condition awards and have been assessed at fair value on the date of grant using the Monte Carlo simulation model. The following assumptions were used in determining the fair value of the SARs and performance shares awarded during the respective periods:

	SARs		Performance Shares	
	2012	2011	2012	2011
Risk-free interest rate	1.05%	2.68%	0.37%	1.34%
Dividend yield	2.03%	1.70%	2.03%	1.61%
Expected life (years)	5.7	5.8	2.9	2.9
Volatility	36.41%	33.56%	34.10%	40.48%
Grant price	$ 65.38	$ 66.59	n/a	n/a
Fair value at date of grant	$ 18.51	$ 20.13	$ 71.98	$ 91.41

Stock-based compensation is reported within selling and administrative expenses in the accompanying Unaudited Condensed Consolidated Statements of Comprehensive Earnings. The following table summarizes the Company's compensation expense relating to all stock-based incentive plans:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Pre-tax compensation expense	$ 7,532	$ 5,974	$ 16,106	$ 14,007
Tax benefit	(2,580)	(2,091)	(5,687)	(4,902)
Total stock-based compensation expense, net of tax	$ 4,952	$ 3,883	$ 10,419	$ 9,105

On May 3, 2012, the shareholders approved the Dover Corporation 2012 Equity and Cash Incentive Plan (the "2012 Plan"), to replace the 2005 Equity and Cash Incentive Plan, which otherwise would terminate according to its terms on January 31, 2015, and the 1996 Non-Employee Directors Stock Compensation Plan, which would otherwise terminate according to its terms on December 31, 2012. Officers and other key employees, as well as non-employee directors, are eligible to participate in the 2012 Plan, which has a ten year term and will terminate on May 3, 2022. The 2012 Plan provides for stock options and SARs grants, restricted stock awards, restricted stock unit awards, performance share awards, cash performance awards, directors' shares and deferred stock units. Under the 2012 Plan, a total of 17,000,000 shares of common stock are reserved for issuance, subject to adjustments resulting from stock dividends, stock splits, recapitalizations, reorganizations and other similar changes.

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17. Earnings per Share

The following table sets forth a reconciliation of the information used in computing basic and diluted earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Earnings from continuing operations	$ 212,902	$ 239,198	$ 409,729	$ 413,989
Earnings from discontinued operations, net	1,199	10,571	435	30,685
Net earnings	$ 214,101	$ 249,769	$ 410,164	$ 444,674
Basic earnings per common share:				
Earnings from continuing operations	$ 1.16	$ 1.28	$ 2.23	$ 2.22
Earnings from discontinued operations, net	$ 0.01	$ 0.06	$ —	$ 0.16
Net earnings	$ 1.17	$ 1.34	$ 2.23	$ 2.38
Weighted average shares outstanding	183,494,000	186,443,000	183,625,000	186,522,000
Diluted earnings per common share:				
Earnings from continuing operations	$ 1.15	$ 1.26	$ 2.20	$ 2.18
Earnings from discontinued operations, net	$ 0.01	$ 0.06	$ —	$ 0.16
Net earnings	$ 1.15	$ 1.32	$ 2.20	$ 2.34
Weighted average shares outstanding	185,780,000	189,705,000	186,171,000	189,905,000

The following table is a reconciliation of the share amounts used in computing earnings per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Weighted average shares outstanding - Basic	183,494,000	186,443,000	183,625,000	186,522,000
Dilutive effect of assumed exercise of employee stock options, SARs and performance shares	2,286,000	3,262,000	2,546,000	3,383,000
Weighted average shares outstanding - Diluted	185,780,000	189,705,000	186,171,000	189,905,000

Diluted per share amounts are computed using the weighted-average number of common shares and, if dilutive, potential common shares outstanding during the period. Potential common shares consist of the incremental common shares issuable upon the exercise of stock options and SARs, and vesting of performance shares and restricted shares, as determined using the treasury stock method. For the three months ended June 30, 2012 and 2011, the weighted average number of anti-dilutive potential common shares excluded from the calculation above totaled 3,135,000 and 1,513,000, respectively. For the six months ended June 30, 2012 and 2011, the weighted average number of anti-dilutive potential common shares excluded from the calculation above totaled 2,784,000 and 1,184,000, respectively.

18. Share Repurchases

In May 2012, the Board of Directors renewed its standing authorization of the Company's share repurchase program, on terms consistent with its prior five-year authorization which expired at that time. This renewal authorizes the repurchase of up to 10,000,000 shares of the Company's common stock during the five-year period ending May 2017.

During the three and six months ended June 30, 2012, the Company repurchased 2,530,000 and 3,190,000 shares of its common stock in the open market, respectively. During the three and six months ended June 30, 2012, the Company also repurchased 40,070 and 84,001 shares from the holders of its employee stock options when they tendered these shares as full or partial payment of the exercise price of such options. Therefore, during the three and six months ended June 30, 2012, a total of 2,570,070 and 3,274,001 shares were repurchased at a cumulative average price of $59.83 and $60.76 per share, respectively. Treasury shares increased to 70,274,488 at June 30, 2012 from a balance of 67,000,487 at December 31, 2011.

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

Refer to the section below entitled "Special Notes Regarding Forward-Looking Statements" for a discussion of factors that could cause our actual results to differ from the forward-looking statements contained below and throughout this quarterly report.

Throughout this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), we refer to measures used by management to evaluate performance, including a number of financial measures that are not defined under accounting principles generally accepted in the United States of America (U.S. GAAP). These include organic revenue growth, free cash flow and adjusted working capital. Organic revenue and organic growth refer to revenue and revenue growth excluding the impacts of foreign exchange, acquisitions and divestitures. Free cash flow is operating cash flow less capital spending, while adjusted working capital refers to accounts receivable, plus inventory, less accounts payable. We believe these measures provide investors with important information that is useful in understanding our business results and trends. Reconciliations within this MD&A provide more details on the use and derivation of these measures.

OVERVIEW AND OUTLOOK

Dover is a diversified, multinational corporation that manufactures a broad range of specialized products and components and also offers related services and consumables. Dover provides its customers with outstanding products and services that reflect the Company's commitment to operational excellence, innovation and market leadership. Unless the context indicates otherwise, references herein to "Dover," "the Company," and such words as "we," "us," and "our" include Dover Corporation and its subsidiaries.

In the fourth quarter of 2011, we realigned our businesses into four new segments to more closely match our key end-markets. As a result, our principal business segments are Communication Technologies, Energy, Engineered Systems, and Printing & Identification. We believe the revised segment structure provides better alignment and focus around our end-markets, allows for better leverage of our executive leadership talent and expertise, helps improve the sharing and leveraging of resources within and between the four segments, enhances execution of business-specific strategies, and facilitates internal and external benchmarking against companies serving similar markets.

Our Communication Technologies segment is engaged in the design and manufacture of innovative products and components in the communications, life sciences, aerospace/industrial, defense, and telecommunication/other markets. Our Energy segment provides highly-engineered solutions for the safe and efficient extraction and handling of oil and gas in the drilling, production, and downstream markets. Our Engineered Systems segment is comprised of two platforms, Fluid Solutions and Refrigeration & Industrial, which are industry leaders in the fluids systems, refrigeration and food equipment, and certain other industrial markets. Our Printing & Identification segment provides integrated printing, coding, and testing solutions for the fast moving consumer goods, industrial, and electronics markets.

The following table shows the percentage of total revenue and segment earnings generated by each of our four segments for the three months ended June 30, 2012 and 2011:

	Three Months Ended June 30, 2012		Three Months Ended June 30, 2011	
	Revenue	Segment Earnings	Revenue	Segment Earnings
Communication Technologies	16.7%	14.0%	14.5%	15.0%
Energy	25.0%	37.2%	22.8%	30.6%
Engineered Systems	41.1%	37.2%	41.2%	35.6%
Printing and Identification	17.2%	11.6%	21.5%	18.8%
Total	100.0%	100.0%	100.0%	100.0%

We generated positive results during the second quarter of 2012, with second quarter revenue of $2.2 billion and gross profit of $817.6 million, representing increases of 8% and 5%, respectively, compared to the second quarter of 2011. The quarter's solid results were driven by our strong positions in the energy, handset and refrigeration and food equipment markets. We achieved this growth despite considerable headwinds, including a weak European economy and the currency impact of a strengthening U.S. dollar against the euro.

Bookings remained solid in the second quarter, increasing 9% over the prior year quarter. Market dynamics, including the shift from gas to oil, oil prices supportive of continued production projects, and a strong downstream market should continue to provide a solid platform for our Energy segment's products and services. We also experienced strong activity in the handset market as well as solid demand in the commercial aerospace and life science markets served by our Communication Technologies segment. Our businesses serving the handset market began to receive orders connected to new product launches and we expect this activity to accelerate during the third and fourth quarters of 2012. Businesses within our Engineered Systems segment serving the refrigeration and food equipment markets generated solid results driven on the strength of an active remodel market and our customers' continued focus on energy efficiency. Similarly, our Engineered Systems businesses serving U.S. industrial markets continued to generate solid results during the quarter, and we expect these businesses serving the food equipment and industrial markets to remain strong in the second half. Despite a strong start from our recent Maag Pump Systems acquisition, the performance by our Fluid Solutions platform waned during the second quarter due to the economic weakness in Europe and slowing conditions in China, and we expect this portion of the business to remain challenged by these economic conditions. During the quarter, we experienced continued weakness in the electronics markets served by our Printing & Identification segment. Within our fast moving consumer goods sector, we have been focusing on new products, new channels and service which has helped to offset some of the impact of our exposure to Europe, a key geographic market for this sector. We expect improved results in the Printing & Identification segment over the remainder of the year, due to normal seasonality coupled with our continued focus on new products and new market opportunities in the fast moving consumer goods and industrial markets and the realization of benefits from our recent restructuring activities.

In summary, we expect our 2012 full year organic growth to be in the range of 3% to 5% and acquisition related growth to be approximately 5% for acquisitions completed in 2011 and the first half of 2012. Based on these revenue assumptions and profitability expectations, we expect our diluted earnings per share from continuing operations for 2012 will be in the range of $4.70 to $4.85. If global or domestic economic conditions, including economic weakness in Europe, accelerate or deteriorate, our operating results for 2012 could be materially different than currently projected.

RESULTS OF OPERATIONS

As discussed in Note 9 to the Unaudited Condensed Consolidated Financial Statements, we are reporting three businesses that were sold during 2011 as discontinued operations. Therefore, we have classified the results of operations of these businesses as discontinued operations for all periods presented.

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands, except per share figures)	**2012**	**2011**	**% / Point Change**	**2012**	**2011**	**% / Point Change**
Revenue	$ 2,156,508	$ 1,994,970	8.1 %	$ 4,219,872	$ 3,807,048	10.8 %
Cost of goods and services	1,338,911	1,218,974	9.8 %	2,621,951	2,319,301	13.0 %
Gross profit	817,597	775,996	5.4 %	1,597,921	1,487,747	7.4 %
Gross profit margin	*37.9%*	*38.9%*	*(1.0)*	*37.9%*	*39.1%*	*(1.2)*
Selling and administrative expenses	494,050	448,399	10.2 %	974,930	901,826	8.1 %
Selling and administrative as a percent of revenue	*22.9%*	*22.5%*	*0.4*	*23.1%*	*23.7%*	*(0.6)*
Interest expense, net	29,717	28,157	5.5 %	59,744	56,475	5.8 %
Other expense, net	142	1,477	—	2,764	2,665	—
Provision for income taxes	80,786	58,765	37.5 %	150,754	112,792	33.7 %
Effective tax rate	*27.5%*	*19.7%*	*7.8*	*26.9%*	*21.4%*	*5.5*
Earnings from continuing operations	212,902	239,198	(11.0)%	409,729	413,989	(1.0)%
Earnings from discontinued operations, net	1,199	10,571	(88.7)%	435	30,685	(98.6)%
Earnings from continuing operations per common share - diluted	$ 1.15	$ 1.26	(8.7)%	$ 2.20	$ 2.18	0.9 %

Revenue

Revenue for the second quarter of 2012 increased $161.5 million or 8% from the comparable 2011 quarter reflecting organic revenue growth of 3%, growth of 7% related to acquisitions and a 2% unfavorable impact from foreign currency. The organic growth is driven by solid demand in our energy, refrigeration and handset end markets, which more than offset declining volumes in our electronics end markets, most notably in semiconductor and alternative energy, and the impact of a weakened European economy.

Revenue for the first six months of 2012 increased $412.8 million or 11% from the comparable 2011 period reflecting organic revenue growth of 6%, growth of 6% related to acquisitions and a 1% unfavorable impact from foreign currency translation, driven by the same factors as in the second quarter.

Gross Profit

Gross profit for the second quarter of 2012 increased $41.6 million or 5% compared to the prior year quarter reflecting the increased sales volumes and benefits from productivity initiatives. Gross profit margin as a percentage of revenue contracted 100 basis points to 37.9% due principally to the impacts of product and customer mix, the decline in semiconductor and alternative energy revenue, and the impacts of recent acquisitions which, combined, more than offset operating leverage.

For the six month period, gross profit increased $110.2 million or 7% from the comparable 2011 period while gross profit margin decreased 120 basis points to 37.9%, due to the same drivers as noted for the quarter.

Selling and Administrative Expenses

Selling and administrative expenses increased $45.7 million or 10% compared to the prior year quarter primarily due to general increases across the segments in support of higher volumes and growth initiatives, higher amortization expense resulting from recent acquisitions, and increased restructuring expense from 2012 initiatives undertaken at certain businesses. As a percentage of revenue, selling and administrative expenses increased by 40 basis points to 22.9% in the second quarter of 2012 compared to 22.5% in the prior year quarter, principally due to higher amortization and restructuring costs incurred in 2012, which more than offset the leverage from higher revenues.

Selling and administrative expenses for the six months of 2012 increased $73.1 million or 8% compared to the same period of 2011 due to the same drivers as in the quarter. As a percentage of revenue, selling and administrative expenses declined to 23.1% from 23.7% in the comparable 2011 period. This 60 basis point improvement is largely a result of leverage from the higher revenue levels, partially offset by higher amortization relating to recent acquisitions and higher restructuring charges.

Non-Operating Items

Net interest expense for three and six months ended June 30, 2012 increased by $1.6 million (6%) and $3.3 million (6%), respectively, compared to the same periods of last year. The increase in net interest expense for the three and six month periods is attributed to higher average outstanding debt balances, which led to a $0.4 million and $1.0 million increase in interest expense, respectively, coupled with lower average levels of cash on hand, which generated $1.2 million and $2.3 million less of interest income, respectively. In the second quarter and first six months of 2012, our average cash and cash equivalents were approximately $540 million and $300 million lower than in the comparable periods of 2011, respectively, due in part to cash used to fund acquisition and share repurchase activity over the last twelve months.

Other expense, net for the three and six month periods ended June 30, 2012 and 2011 primarily reflects the impact of net losses from foreign exchange fluctuations on assets and liabilities denominated in currencies other than the functional currency, coupled with other miscellaneous non-operating gains and losses, none of which were individually, or in the aggregate, significant.

Income Taxes

For the three and six months ended June 30, 2012, the effective tax rates before consideration of discrete items were relatively flat as compared with the prior year periods. The pre-discrete tax rate was 27.4% and 27.1% for the respective three and six months ended June 30, 2012, and 27.2% for each of the comparable three and six month periods of 2011. Net discrete items of $0.4 million for the second quarter and $1.1 million year to date did not significantly impact the 2012 effective tax rates. Discrete items totaling $22.3 million in the second quarter of last year and $30.4 million in the first half of last year reduced 2011 effective tax rates to 19.7% and 21.4%, respectively, for the comparable three and six month reporting periods. The unfavorable impact of increased U.S. earnings mix in the 2012 periods was more than offset by the favorable impact of lower effective tax rates in foreign jurisdictions neutralizing rates on a comparative year over year, pre-discrete basis. If the mix of U.S. earnings increases more than anticipated over the remainder of the year, our 2012 effective tax rate could be unfavorably impacted. In addition, we believe uncertain tax positions could be settled within the next twelve months, for which an estimate cannot currently be made due to the uncertainties associated with the resolution of these matters.

Income from Continuing Operations

Earnings from continuing operations for the second quarter of 2012 decreased 11% to $212.9 million, or $1.15 diluted earnings per share (“EPS”), compared to $239.2 million, or $1.26 EPS, in the prior year second quarter. Earnings from continuing operations for the six months ended June 30, 2012 decreased 1% to $409.7 million from $414.0 million in the respective prior year period; however, EPS for the six months ended June 30, 2012 increased to $2.20 compared to $2.18 EPS for the same period of 2011. The dollar decrease in earnings from continuing operations in both the three and six months periods of 2012 is primarily the result of higher acquisition related expenses and increased restructuring charges relative to the 2011 periods, coupled with the impact of the slowing Europe economy. The EPS increase for the six month period of 2012 is primarily the result of lower weighted average shares outstanding for the 2012 period relative to the same period of 2011.

Discontinued Operations

We realized net income from discontinued operations of $1.2 million, or $0.01 EPS, in the second quarter of 2012 and $0.4 million, with a negligible impact to EPS, in the six months ended June 30, 2012. In both the three and six month periods, the net income resulted from adjustments to sale proceeds of businesses sold in prior periods, offset in part by expense and accrual adjustments for these and other businesses sold in prior periods.

In the second half of 2011, we sold three businesses which were reported as discontinued operations. As a result, in the second quarter of 2011 we realized net income from discontinued operations of $10.6 million, or $0.06 diluted EPS, which is driven by net earnings of approximately $14 million generated by these three businesses. For the six months ended June 30, 2011, we realized net income from discontinued operations of $30.7 million, or $0.16 EPS, which primarily reflects net earnings of $26 million generated by these three businesses, coupled with $12 million of tax benefits for discrete tax items settled during the period relating to other previously discontinued operations.

Restructuring Activities

2012 Restructuring Activities

In recent months, we initiated restructuring actions relating to ongoing cost reduction efforts, including targeted facility consolidations and headcount reductions at certain businesses. As a result, in the three and six months ended June 30, 2012, we incurred restructuring charges totaling $8.1 million and $9.6 million, respectively, related to these programs.

- The Communication Technologies segment has incurred restructuring charges of $1.7 million in the six months ended June 30, 2012, and expects to incur an additional $1.4 million over the remainder of 2012, relating to a facility consolidation and related headcount reductions within its operations that serve the telecom infrastructure market to better reflect the current market dynamics.

- The Energy segment has incurred restructuring charges of $0.5 million in the six months ended June 30, 2012, primarily representing costs for the integration of recent acquisitions and minor headcount reductions.

- The Engineered Systems segment has incurred restructuring charges of $1.4 million in the six months ended June 30, 2012, and expects to incur an additional $2.5 million over the remainder of 2012, mainly relating to a couple of facility consolidations and related headcount reductions undertaken to optimize its cost structure.

- The Printing & Identification segment has incurred restructuring charges of $6.0 million in the six months ended June 30, 2012, principally relating to rationalization of global headcount within its marking and coding and alternative energy businesses to better align its footprint with present market conditions.

In light of the economic uncertainty in certain of our end markets and our continued focus on improving our operating efficiency, we expect to initiate additional restructuring programs in the second half of 2012.

2011 Restructuring Activities

Restructuring initiatives in 2011 were limited to a few targeted facility consolidations. We incurred restructuring charges in the three and six months ended June 30, 2011 of $2.0 million and $3.5 million, respectively.

Restructuring Accrual

The following table summarizes our restructuring activity for the six months ended June 30, 2012:

(dollars in thousands)	Severance	Exit	Total
Balance, December 31, 2011	$ 2,463	$ 3,129	$ 5,592
Restructuring charges	8,548	1,019	9,567
Payments	(4,362)	(2,020)	(6,382)
Other, including foreign currency	(20)	(27)	(47)
Balance, June 30, 2012	$ 6,629	$ 2,101	$ 8,730

The accrual balance at December 31, 2011 primarily reflects ongoing lease commitment obligations for facilities closed in earlier periods, the majority of which will be paid over the next twelve months. We also expect to fund the majority of the payments for the 2012 programs over the next twelve months.

SEGMENT RESULTS OF OPERATIONS

As noted previously, in the fourth quarter of 2011 we realigned our businesses into four new segments to more closely match our key end-markets. As such, the three and six month information for 2011 as presented herein has been recast to conform to the current segment structure.

Communication Technologies

Our Communication Technologies segment is engaged in the design and manufacture of innovative products and components which serve the following five major markets: Communications, Life Sciences, Aerospace/Industrial, Defense and Telecommunication/Other.

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	2012	2011	% Change	2012	2011	% Change
Revenue	$ 361,689	$ 288,843	25.2 %	$ 719,264	$ 558,425	28.8 %
Segment earnings	$ 50,322	$ 54,527	(7.7)%	$ 96,878	101,852	(4.9)%
Operating margin	13.9%	18.9%		13.5%	18.2%	
Other measures:						
Depreciation and amortization	$ 32,828	$ 18,533	77.1 %	$ 64,341	$ 37,218	72.9 %
Bookings	383,135	309,734	23.7 %	739,521	584,345	26.6 %
Backlog				457,624	431,558	6.0 %

Components of revenue growth:	Q2 2012 v. Q2 2011	YTD 2012 v. 2011
Organic growth	4.4 %	5.6 %
Acquisitions	22.1 %	24.0 %
Foreign currency translation	(1.3)%	(0.8)%
	25.2 %	28.8 %

Second Quarter 2012 Compared to the Second Quarter 2011

Revenue generated by our Communication Technologies segment in the second quarter of 2012 increased by $72.8 million, or 25%, compared to the same period of 2011, with 22% attributed principally to the inclusion of Sound Solutions, a 2011 acquisition which supplements our product offerings in the growing handset market. Although there was a slight decrease in revenue due to normal pricing concessions for our communications and telecommunication products corresponding to normal product life cycle maturities, this decrease was more than offset by revenue growth from new product introductions, market share gains and product mix.

- Our organic revenue growth of 4% was largely due to continued strong demand for smart phones serving the communications market which continues to grow significantly period over period. Our revenue in the communications market (representing 34% of 2012 second quarter segment revenue) increased $75.4 million, or 163% (29% excluding Sound Solutions). Our microelectronic mechanical (“MEMs”) microphones are well positioned to capitalize on this market’s growth as we have continued to invest in capacity to meet the growing market demands.
- Our life sciences revenue (19% of 2012 second quarter segment revenue) increased by $3.1 million, or 5%, principally due to increased hearing aid demand and overall stable medical equipment demand.
- We also experienced increased demand in the commercial aerospace market primarily driven by our global aftermarket products and continued increased build rates of commercial aircraft. This demand was partially offset by our products sold in the industrial markets. Our aerospace/industrial revenue (17% of 2012 second quarter segment revenue) increased $3.5 million, or 6%.

- Revenue derived from our defense market (14% of 2012 second quarter segment revenue) increased $1.0 million, or 2%, mainly due to timing and funding of key programs in which we participate. The defense market in Europe continues to show the effects of its weak economic conditions.
- This overall growth was partially offset by weakened demand in the global telecom markets, driven in part by continued deferred industry investment. This contributed to a decrease of $10.2 million, or 15%, in our telecommunication/other revenue market (16% of 2012 second quarter segment revenue). Although we see encouraging end-of-quarter activity which may indicate improving telecom market investment, there is still uncertainty regarding the timing of a recovery.

Communication Technologies earnings in the second quarter of 2012 decreased $4.2 million, or 8%, compared with 2011, with a decrease in operating margin of 500 basis points. The margin decline mainly resulted from higher acquisition-related depreciation and amortization, higher manufacturing costs and lower margins from the integration of the Sound Solutions acquisition.

Bookings for the second quarter of 2012 and backlog at June 30, 2012 indicate continued strength in the communications market as we head into the second half of the year when new products are generally launched.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Revenue generated by our Communication Technologies segment for the six months ended June 30, 2012 increased by $160.8 million, or 29%, compared to the 2011 period, with 24% attributed principally to the inclusion of Sound Solutions. The revenue trends for the six month period were relatively consistent in all of our end markets to those outlined for the quarter.

Earnings for the six months ended June 30, 2012 decreased $5.0 million, or 5%, compared with the 2011 period, while operating margin decreased 470 basis points to 13.5%. The margin decline mainly resulted from higher acquisition-related depreciation and amortization, higher manufacturing costs and lower margins from the integration of Sound Solutions.

Energy

Our Energy segment serves the oil, gas and power generation industries, with products that promote the efficient and cost-effective drilling, extraction, storage and movement of oil and gas products, or constitute critical components for power generation equipment. The Energy segment operates through the following business lines: Drilling, which comprises products supporting the cost-effective drilling of oil and gas wells; Production, which comprises products and components facilitating the extraction and movement of fuel from the ground; and Downstream, which comprises systems and products that support the efficient, safe and environmentally-sensitive handling of fuel, hazardous liquids and dry-bulk commodities.

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	**2012**	**2011**	**% Change**	**2012**	**2011**	**% Change**
Revenue	$ 538,786	$ 454,327	18.6 %	$ 1,070,356	$ 879,751	21.7 %
Segment earnings	$ 133,936	$ 110,447	21.3 %	$ 266,051	$ 203,498	30.7 %
Operating margin	24.9%	24.3%		24.9%	23.1%	
Other measures:						
Depreciation and amortization	$ 23,533	$ 18,765	25.4 %	$ 44,717	$ 37,338	19.8 %
Bookings	530,352	472,543	12.2 %	1,116,127	967,668	15.3 %
Backlog				282,364	255,889	10.3 %

Components of revenue growth:	**Q2 2012 v. Q2 2011**	**YTD 2012 v. 2011**
Organic growth	13.7 %	18.3 %
Acquisitions	5.9 %	4.1 %
Foreign currency translation	(1.0)%	(0.7)%
	18.6 %	21.7 %

Second Quarter 2012 Compared to the Second Quarter 2011

Our Energy segment again posted solid revenue, earnings and bookings in the second quarter of 2012. Revenue and earnings were up 19% and 21%, respectively, in the second quarter of 2012 due to continued strength in the drilling, production and downstream energy markets served by the segment. Acquisitions made in 2011 and the first half of 2012 generated revenue growth of 6%, and foreign currency translation had minimal impact during the quarter.

- Drilling sector revenue (19% of 2012 second quarter segment revenue) increased 6% over the comparable prior year quarter due to stronger exploration activity and increased market share.
- Production sector revenue (representing 54% of 2012 second quarter segment revenue) increased 28% over the comparable prior year quarter, driven by higher drilling and well completion activity, higher demand for winch products serving the energy, infrastructure and recovery markets, and increased demand for compressor products. The recent acquisitions of Oil Lift, purchased in the third quarter of 2011, and PCS, purchased in the second quarter of 2012, have expanded our artificial lift product lines and contributed 12% to the production sector's growth during the quarter.
- Our revenues in the drilling and production sectors are impacted by changes in the number of active North American drilling rigs. The second quarter's average North American drilling rig count was up 6% over the comparable prior year quarter, driven by increased oil exploration. The quarter's average rig count also reflects a sequential decline of 17% from the first quarter 2012 average rig count due to the seasonal impact of the Canadian spring thaw and a slight drop in U.S. rigs.
- Downstream sector revenue (27% of 2012 second quarter segment revenue) was up 11%, reflecting continued strong demand for bearing products serving energy markets, loading equipment for the rail, cargo tank and chemical/industrial markets and fuel delivery systems.

Energy earnings in the second quarter of 2012 increased $23.5 million, or 21%, from the higher organic and acquisition volumes. Energy operating margin increased 60 basis points compared to the prior year quarter, due to operating leverage associated with the higher volumes, strategic pricing and productivity gains, which more than offset higher material and labor-related costs and increased amortization expense resulting from recent acquisitions.

Bookings for the second quarter of 2012 and backlog at June 30, 2012 increased 12% and 10%, respectively, as compared to the prior year periods, due to higher orders in the production and downstream sectors which more than offset moderate order declines in the drilling sector, coupled with the impact of recent acquisitions.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Revenue generated by our Energy segment for the six months ended June 30, 2012 increased by $190.6 million, or 22%, due to continued strength in the drilling, production and downstream energy markets served by the segment. Acquisitions made in 2011 and the first half of 2012 generated revenue growth of 4%, and foreign currency translation had minimal impact during the quarter. The revenue trends for the six month period were relatively consistent in each of our end markets to those outlined for the quarter; however, year-over-year drilling revenue grew at a slower rate in the latter half of the six month period due to the slower rate of growth in the U.S. rig count and decreasing oil prices.

Earnings for the six months ended June 30, 2012 increased $62.6 million, or 31%, compared to the 2011 period, from the higher organic and acquisition volumes. Energy operating margin increased 180 basis points compared to the prior year period, due to operating leverage associated with the higher volumes, strategic pricing and productivity gains, which more than offset higher material and labor-related costs and increased amortization expense resulting from recent acquisitions.

Engineered Systems

Our Engineered Systems segment is comprised of two platforms, Fluid Solutions and Refrigeration & Industrial. The Fluid Solutions platform designs and manufactures pumps, compressors, and chemical proportioning and dispensing products. The Refrigeration and Industrial platform manufactures products and systems which serve three key end-markets: Refrigeration & food equipment, Waste and recycling, and Other industrial.

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	2012	2011	% Change	2012	2011	% Change
Revenue						
Refrigeration & Industrial	$ 674,501	645,573	4.5 %	$ 1,316,714	$ 1,206,026	9.2 %
Fluid Solutions	211,974	178,031	19.1 %	392,338	341,227	15.0 %
Eliminations	(352)	(424)		(805)	(806)	
	$ 886,123	$ 823,180	7.6 %	$ 1,708,247	$ 1,546,447	10.5 %
Segment earnings	$ 133,808	$ 128,570	4.1 %	$ 255,900	$ 226,805	12.8 %
Operating margin	15.1%	15.6%		15.0%	14.7%	
Other measures:						
Depreciation and amortization	$ 23,913	$ 18,816	27.1 %	$ 43,495	$ 37,231	16.8 %
Bookings						
Refrigeration & Industrial	$ 666,223	$ 623,929	6.8 %	$ 1,378,134	$ 1,284,378	7.3 %
Fluid Solutions	204,139	175,539	16.3 %	388,850	349,165	11.4 %
Eliminations	(376)	(884)		(784)	(1,617)	
	$ 869,986	$ 798,584	8.9 %	$ 1,766,200	$ 1,631,926	8.2 %
Backlog						
Refrigeration & Industrial				586,824	523,011	12.2 %
Fluid Solutions				172,300	54,945	213.6 %
Eliminations				(155)	(526)	
				758,969	577,430	31.4 %

Components of revenue growth:	Q2 2012 v. Q2 2011	YTD 2012 v. 2011
Organic growth	3.3 %	7.4 %
Acquisitions	6.1 %	4.4 %
Foreign currency translation	(1.8)%	(1.3)%
	7.6 %	10.5 %

Second Quarter 2012 Compared to the Second Quarter 2011

Engineered Systems revenue for the second quarter of 2012 increased $62.9 million, or 8%, driven by organic revenue growth of 4% and 6% contribution from recent acquisitions, offset by 2% unfavorable foreign currency impacts.

- Revenue of our Refrigeration & Industrial platform, which serves our refrigeration and food equipment, waste and recycling, and other industrial end-markets, increased $28.9 million, or 4%.
    - Revenue from refrigeration and food equipment (representing 41% of 2012 second quarter segment revenue) increased 8% over the comparable prior year quarter, reflecting strong demand for refrigeration systems fueled by remodel activity at major retail chains, as well as increased demand for foodservice equipment through dealer and direct channels and for beverage can-making equipment, especially in Asia.

- ◦ Performance by our businesses serving the waste and recycling and other industrial markets (35% of 2012 second quarter segment revenue) increased 1% over the comparable prior year quarter, driven by continued market rebound in hydraulic equipment due in part to strength in the mining and utilities sectors, offset by weakness in European markets serving industrial automation machinery and vehicle service businesses.

- Revenue of our Fluid Solutions platform (24% of 2012 second quarter segment revenue) increased by 19% reflecting the favorable impact of recent acquisitions; however, excluding revenue from Maag, which was acquired in the first quarter of 2012, our platform revenue declined 6%, due to weakness in our European markets.

Engineered Systems earnings increased $5.2 million, or 4%, on the strength of increased volume, favorable pricing and productivity improvements which more than offset inflation, weakened Europe markets, and unfavorable foreign currency impacts. Operating margin declined by 50 basis points, as favorable pricing and productivity savings were more than offset by acquisition-related costs and currency impacts from the strengthening U.S. dollar.

Bookings for the second quarter of 2012 and backlog at June 30, 2012 increased 9% and 31%, respectively, as compared to the prior year periods, due to higher refrigeration, pump and hydraulic equipment orders.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Engineered Systems revenue for the six months ended June 30, 2012 increased $161.8 million, or 11%, driven by organic revenue growth of 8% and 4% growth from recent acquisitions, offset by 1% unfavorable foreign currency impacts. The revenue trends for the six month period were relatively consistent in each of our end markets to those outlined for the quarter; however, year over year revenue growth in each end market moderated in the second quarter relative to the first quarter, due in part to weakness in the European markets.

Earnings for the six months ended June 30, 2012 increased $29.1 million, or 13%, compared to the 2011 period, on the strength of increased volume, favorable pricing and productivity improvements which more than offset inflation, and unfavorable foreign currency impacts. Operating margin increased 30 basis points compared to the prior year period, as favorable pricing and productivity savings more than offset acquisition-related costs and currency impacts from the strengthening U.S. dollar.

Printing & Identification

Our Printing & Identification segment is a worldwide supplier of precision marking & coding, dispensing, printing, soldering, coating, inspection and testing equipment and related consumables and services. The segment serves three broad global end- markets: Fast Moving Consumer Goods (FMCG), Industrial, and Electronics.

	Three Months Ended June 30,			Six Months Ended June 30,		
(dollars in thousands)	2012	2011	% Change	2012	2011	% Change
Revenue	$ 370,173	$ 429,497	(13.8)%	$ 722,505	$ 824,124	(12.3)%
Segment earnings	41,674	67,967	(38.7)%	74,279	122,604	(39.4)%
Operating margin	11.3%	15.8%		10.3%	14.9%	
Other measures:						
Depreciation and amortization	$ 11,448	$ 11,685	(2.0)%	$ 22,654	$ 23,057	(1.7)%
Bookings	357,648	386,259	(7.4)%	705,016	824,785	(14.5)%
Backlog				160,311	220,619	(27.3)%

Components of revenue growth:	Q2 2012 v. Q2 2011	YTD 2012 v. 2011
Organic growth	(9.9)%	(9.6)%
Acquisitions	— %	— %
Foreign currency translation	(3.9)%	(2.7)%
	(13.8)%	(12.3)%

Second Quarter 2012 Compared to the Second Quarter 2011

Our Printing & Identification segment's second quarter 2012 revenue decreased by 14% compared to the second quarter of 2011, attributable to 10% lower organic revenue growth, primarily driven by lower electronics end market revenue, and 4% unfavorable foreign currency impact.

- Electronics revenue (representing 37% of 2012 second quarter segment revenue) was down 27% versus the prior year quarter, excluding a 3% unfavorable impact from foreign currency, due to the overall weakened demand in electronics, most notably in the semiconductor and alternative energy markets, compared to a very strong first half in 2011.
- FMCG revenue (38% of 2012 second quarter segment revenue) and industrial revenue (25% of 2012 second quarter segment revenue) realized combined organic revenue growth of 5% year-over-year, excluding a 5% unfavorable impact from foreign currency, despite Europe being generally weaker than expected, driven by continued market acceptance of our new products and added sales and service resources in key regional markets.

Printing & Identification earnings declined $26.3 million in the second quarter of 2012 compared to the prior year quarter, resulting in an operating margin decline of 450 basis points. The margin decline is primarily attributable to lower volumes and reduced operating leverage in our electronics businesses, most notably semiconductor and alternative energy. Earnings of our FMCG and industrial businesses were also impacted by an approximate $5.5 million charge for a restructuring program undertaken to better align our global footprint with those geographic markets with the greatest growth potential, as well as continued key strategic investments for growth. We expect these strategic investments to continue through 2012 as we consider these end markets integral to our longer-term growth initiatives.

Bookings for the second quarter of 2012 and backlog levels at June 30, 2012 are down 7% and 27%, respectively, as compared to the prior year periods, primarily due to the reduced demand in electronics end markets, particularly alternative energy and semiconductor.

Six Months Ended June 30, 2012 Compared to the Six Months Ended June 30, 2011

Printing & Identification revenue for the six months ended June 30, 2012 decreased $101.6 million, or 12%, attributable to 9% lower organic revenue growth, primarily driven by continued weakness in our electronics end market, and 3% unfavorable foreign currency.

Earnings for the six months ended June 30, 2012 decreased $48.3 million, or 39%, resulting in an operating margin decline of 460 basis points compared to the 2011 period. The earnings decline is primarily attributable to lower volumes and reduced operating leverage in our electronics business, most notably semiconductor and alternative energy. Our 2012 six month earnings were also impacted by restructuring charges of approximately $6.0 million, as well as strategic investments for growth made by our FMCG and industrial businesses in the first half of 2012.

FINANCIAL CONDITION

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. Significant factors affecting liquidity are: cash flows generated from operating activities, capital expenditures, acquisitions, dispositions, dividends, repurchase of outstanding shares, adequacy of available commercial paper and bank lines of credit, and the ability to attract long-term capital with satisfactory terms. We generate substantial cash from the operations of our businesses and remain in a strong financial position, with sufficient liquidity available for reinvestment in existing businesses and strategic acquisitions, while managing our capital structure on a short and long-term basis.

Cash Flow Summary

The following table is derived from our Unaudited Condensed Consolidated Statement of Cash Flows:

	Six Months Ended June 30,	
Cash Flows from Continuing Operations *(in thousands)*	**2012**	**2011**
Net Cash Flows Provided By (Used In):		
Operating activities	$ 412,247	$ 322,763
Investing activities	(514,472)	(432,350)
Financing activities	(295,415)	252,789

Operating Activities

Cash provided by operating activities for the six months ended June 30, 2012 increased $89 million as compared to the 2011 period, due to a $36 million increase in earnings from continuing operations, adjusted for noncash depreciation and amortization, driven by higher sales volumes, coupled with a moderation in the growth rate of our working capital investment, which was $50 million lower year over year.

Adjusted Working Capital

Adjusted working capital (a non-GAAP measure calculated as accounts receivable, plus inventory, less accounts payable) increased from December 31, 2011 by $171 million, or 12%, to $1.6 billion, which reflected an increase in receivables of $130 million, an increase in inventory of $118 million and an increase in accounts payable of $77 million generally due to higher order and sales volume. Excluding acquisitions and the effects of foreign exchange translation, adjusted working capital would have increased by $115 million, or 8%.

Investing Activities

Cash used in investing activities results from cash outflows for capital expenditures and acquisitions, partially offset by proceeds from sales of short term investments, businesses and property, plant and equipment. For the six months ended June 30, 2012 we used cash in investing activities of $514 million compared to $432 million for the same period of 2011, driven by the following factors:

- In the 2012 period, we used $399 million to acquire three businesses, including $266 million for Maag Pump Systems, a European acquisition for our fluid solutions platform, and $119 million for the cash portion of the purchase price paid for PCS, a second quarter acquisition in our Energy segment. A portion of the PCS acquisition was also funded by the issuance of Dover stock. See Note 2 to the Unaudited Condensed Consolidated Financial Statements. Cash paid for acquisitions is net of $45 million received as final payment for settlement of purchase price adjustments for post-acquisition contingencies relating to the 2011 Sound Solutions acquisition. In comparison, in the first six months of 2011, we used $425 million to acquire four businesses, including $401 million for the acquisition of Harbison-Fischer by our Energy segment.
- In the 2012 period, we have restricted cash of $20 million, which includes funding of approximately $16 million of cash collateral as security for Maag's bank guarantees that were outstanding at the date of acquisition.

- Our capital expenditures were approximately $22 million higher in the 2012 period as compared to 2011, reflecting increased investment in capacity expansion within our high-growth businesses. Specifically, we continue to support growth in the handset market with significant investments to increase MEMS manufacturing capacity in our domestic and Asian facilities, along with other investments supporting growth in our energy and fluid solutions end markets. We expect full year 2012 capital expenditures to approximate 3.8% of revenue.
- In the 2011 period, we generated proceeds of $124 million from the sale of short-term investments, which were liquidated to provide cash for 2011 acquisitions.
- In the 2011 period, we paid a net of $18 million on the settlement of foreign exchange forward contracts which had served as hedges of a portion of our euro-denominated net investment.

We anticipate that capital expenditures and any acquisitions we make through the remainder of 2012 will be funded from available cash and internally generated funds and, if necessary, through the issuance of commercial paper, use of established lines of credit or public debt or equity markets.

Financing Activities

Our cash flow from financing activities generally relates to a use of cash for purchase of our common stock and payment of dividends, offset by net borrowing activity and proceeds from exercise of stock options. For the six months ended June 30, 2012, we used cash of $295 million for financing activities compared to cash provided by financing activities of $253 million in the comparable period of 2011, with the activity attributed to the following:

- In the 2012 period, we had negligible reductions in borrowings. However, in the 2011 period, we received proceeds of $31 million from the issue of commercial paper and $789 million from the issue of 4.3% 10-year Notes due 2021 and 5.375% 30-year Notes due 2041. These proceeds were used to repay $400 million of other borrowings which came due during the period.
- We used $199 million to repurchase common stock in the 2012 period, $101 million more than was used in the comparable period of 2011. We have generally repurchased shares of our common stock in an amount at least equal to the number of shares issued under our equity compensation arrangements, and expect to continue with this policy. In the second quarter of 2012, we repurchased additional shares to offset the dilutive impact of shares issued for the acquisition of PCS.
- We paid $13 million higher dividends to shareholders in the 2012 period as compared to 2011.
- We received $15 million less in proceeds from employee exercises of stock options in the 2012 period as compared to 2011.

Liquidity and Capital Resources

Free Cash Flow

In addition to measuring our cash flow generation and usage based upon the operating, investing and financing classifications included in the Unaudited Condensed Consolidated Statement of Cash Flows, we also measure free cash flow (a non-GAAP measure). We believe that free cash flow is an important measure of operating performance because it provides management and investors a measurement of cash generated from operations that is available to fund acquisitions, pay dividends, repay debt and repurchase our common stock.

The following table reconciles our free cash flow to cash flow provided by operating activities:

	Six Months Ended June 30,	
Free Cash Flow *(dollars in thousands)*	**2012**	**2011**
Cash flow provided by operating activities	$ 412,247	$ 322,763
Less: Capital expenditures	(145,787)	(123,717)
Free cash flow	$ 266,460	$ 199,046
Free cash flow as a percentage of revenue	6.3%	5.2%

For the six months ended June 30, 2012, we generated free cash flow of $266.5 million, representing 6.3% of revenue and 65.0% of net earnings from continuing operations, while continuing to make investments necessary to support our growth. Free cash flow generated during the period reflects typical seasonality. The free cash flow generated in the first six months of 2012 is $67 million higher than the amount generated in the comparable 2011 period, primarily due to the reduced working capital investment in the 2012 period and moderately higher earnings from continuing operations before depreciation and amortization. We expect to generate free cash flow for the year of approximately 10%, consistent with our historical performance.

Net Debt to Net Capitalization

We utilize the net debt to net capitalization calculation (a non-GAAP measure) to assess our overall financial leverage and capacity and believe the calculation is useful to investors for the same reason. The following table provides a reconciliation of net debt to net capitalization to the most directly comparable GAAP measures:

Net Debt to Net Capitalization Ratio *(dollars in thousands)*	**June 30, 2012**	**December 31, 2011**
Current maturities of long-term debt	$ 3,402	$ 1,022
Long-term debt	2,191,750	2,186,230
Total debt	2,195,152	2,187,252
Less: Cash and cash equivalents	(785,965)	(1,206,755)
Net debt	1,409,187	980,497
Add: Stockholders' equity	5,110,264	4,930,555
Net capitalization	$ 6,519,451	$ 5,911,052
Net debt to net capitalization	21.6%	16.6%

Our net debt to net capitalization ratio increased to 21.6% at June 30, 2012 from 16.6% at December 31, 2011, primarily due to the use of cash to fund acquisitions totaling $354 million during the 2012 period.

At June 30, 2012, our cash and cash equivalents totaled $786 million, of which $437 million was held outside the United States. Cash and equivalents are invested in highly liquid investment grade money market instruments with maturities of three months or less. We regularly invest cash in excess of near-term requirements in money market instruments or short-term investments, which consist of investment grade time deposits with original maturity dates at the time of purchase greater than three months, up to twelve months.

We use commercial paper borrowings for general corporate purposes, including the funding of acquisitions and the repurchasing of our common stock. We currently maintain an unsecured revolving credit facility with a syndicate of banks which permits borrowings up to $1 billion and expires on November 10, 2016. This facility is used primarily as liquidity back-up for our commercial paper program. We have not drawn down any loans under this facility nor do we anticipate doing so. If we were to draw down a loan, at our election, the loan would bear interest at a Eurodollar or Sterling rate based on LIBOR, plus an applicable margin ranging from 0.565% to 1.225% (subject to adjustment based on the rating accorded our senior unsecured debt by S&P and Moody's) or at a base rate pursuant to a formula defined in the facility. Under this facility, we are required to maintain an interest coverage ratio of EBITDA to consolidated net interest expense of not less than 3.0 to 1. We were in compliance with this covenant and our other long-term debt covenants at June 30, 2012 and had a coverage ratio of 14.3 to 1. We are not aware of any potential impairment to our liquidity and expect to remain in compliance with all of our debt covenants.

We also have a current shelf registration statement filed with the SEC with remaining capacity of $1 billion that allows for the issuance of additional debt securities that may be utilized in one or more offerings on terms to be determined at the time of the offering. Net proceeds of any offering would be used for general corporate purposes, including repayment of existing indebtedness, capital expenditures and acquisitions.

At June 30, 2012, we have an outstanding floating-to-floating cross currency swap agreement for a total notional amount of $50 million in exchange for CHF 65.1 million, which matures on October 15, 2015. This transaction continues to hedge a portion of our net investment in CHF-denominated operations. The agreement qualifies as a net investment hedge and the effective portion of the change in fair value is reported within the cumulative translation adjustment section of other comprehensive income. The fair value at June 30, 2012 reflected a loss of $20.6 million due to the strengthening of the Swiss franc relative to the U.S. dollar over the term of this arrangement.

Critical Accounting Policies

Our condensed consolidated financial statements and related public financial information are based on the application of generally accepted accounting principles in the United States of America ("GAAP"). GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in our public disclosures, including information regarding contingencies, risk and our financial condition. We believe our use of estimates and underlying accounting assumptions conform to GAAP and are consistently applied. We review valuations based on estimates for reasonableness on a consistent basis.

Recent Accounting Standards

See Note 15 — Recent Accounting Standards. The adoption of recent accounting standards as included in Note 15 to the Unaudited Condensed Consolidated Financial Statements has not had and is not expected to have a significant impact on our revenue, earnings or liquidity.

Special Notes Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, especially "Management's Discussion and Analysis," contains "forward-looking" statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, industries in which Dover businesses operate and the U.S. and global economies. Statements in this Form 10-Q that are not historical are hereby identified as "forward-looking statements" and may be indicated by words or phrases such as "anticipates," "supports," "indicates," "suggests," "will," "plans," "projects," "expects," "believes," "should," "would," "could," "hope," "forecast," "management is of the opinion," use of the future tense and similar words or phrases. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations including, but not limited to, uncertainties in the credit and capital markets, interest rates, currency exchange rates, the world economy and sovereign credit, especially in Europe; political events and possible future terrorist threats that could impact countries where Dover does business or the worldwide economy; the impact of natural disasters and their effect on global supply chains and energy markets; increases in the cost of raw materials; the Company's ability to achieve expected savings from integration, synergy and other cost-control initiatives; the ability to identify and successfully consummate value-adding acquisition opportunities; increased competition and pricing pressures in the markets served by Dover's businesses; the ability of Dover's businesses to expand into new geographic markets and to anticipate and meet customer demands for new products and product enhancements; the impact of loss of a single-source manufacturing facility; changes in customer demand; a downgrade in Dover's credit ratings; the relative mix of products and services which impacts margins and operating efficiencies; short-term capacity constraints; domestic and foreign governmental and public policy changes including environmental regulations, tax policies, export subsidy programs, R&E credits and other similar programs; unforeseen developments in contingencies such as litigation; protection and validity of patent and other intellectual property rights; and the cyclical nature of some of Dover's businesses. Readers are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

We may, from time to time, post financial or other information on our Internet website, www.dovercorporation.com. The Internet address is for informational purposes only and is not intended for use as a hyperlink. We are not incorporating any material on our website into this report.

Non-GAAP Disclosures

In an effort to provide investors with additional information regarding our results as determined by generally accepted accounting principles (GAAP), we also disclose non-GAAP information which we believe provides useful information to investors. Free cash flow, net debt, total debt, net capitalization, the net debt to net capitalization ratio, adjusted working capital, earnings adjusted for non-recurring items, effective tax rate adjusted for discrete and other items, revenue excluding the impact of changes in foreign currency exchange rates and organic revenue growth are not financial measures under GAAP and should not be considered as a substitute for cash flows from operating activities, debt or equity, earnings, revenue or working capital as determined in accordance with GAAP, and they may not be comparable to similarly titled measures reported by other companies. We believe the (1) net debt to net capitalization ratio and (2) free cash flow are important measures of operating performance and liquidity. Net debt to net capitalization is helpful in evaluating our capital structure and the amount of leverage we employ. Free cash flow provides both management and investors a measurement of cash generated from operations that is available to fund acquisitions, pay dividends, repay debt and repurchase our common stock. Reconciliations of free cash flow, total debt and net debt can be found above in this Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations. We believe that reporting our effective tax rate adjusted for discrete and other items is useful to management and investors as it facilitates comparisons of our ongoing tax rate to prior and future periods and our peers. We believe that reporting adjusted working capital (also sometimes called "working capital"), which is calculated as accounts receivable, plus inventory, less accounts payable, provides a meaningful measure of our operational results by showing the changes caused solely by revenue. We believe that reporting adjusted working capital and revenues at constant currency, which excludes the positive or negative impact of fluctuations in foreign currency exchange rates, provides a meaningful measure of our operational changes, given the global nature of our businesses. We believe that reporting organic or core revenue growth, which excludes the impact of foreign currency exchange rates and the impact of acquisitions, provides a useful comparison of our revenue performance and trends between periods.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposure to market risk during the first six months of 2012. For a discussion of our exposure to market risk, refer to Item 7A, Quantitative and Qualitative Disclosures about Market Risk, contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Item 4. Controls and Procedures

At the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2012.

During the second quarter of 2012, there were no changes in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. In making its assessment of changes in internal control over financial reporting as of June 30, 2012, management has excluded Sound Solutions, Oil Lift, Maag Pump Systems, and Production Control Services, four companies acquired in purchase business combinations during the twelve months ended June 30, 2012. The Company is currently assessing the control environments of these acquisitions. These companies are wholly-owned by the Company and their total revenue for the six month period ended June 30, 2012 represents approximately 5.3% of the Company's consolidated revenue for the same period. Their excluded assets represent approximately 4.2% of the Company's consolidated assets at June 30, 2012 .

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

See Part I, Notes to Unaudited Condensed Consolidated Financial Statements, Note 11.

Item 1A. Risk Factors

There have been no material changes with respect to risk factors as previously disclosed in our Annual Report on Form 10-K for its fiscal year ended December 31, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Not applicable.

(b) Not applicable.

(c) The table below presents shares of Dover stock which we acquired during the quarter.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs (2)
April 1 to April 30	1,235,070	$ 61.69	1,195,000	678,495
May 1 to May 31	825,000	59.92	825,000	9,580,000
June 1 to June 30	510,000	55.18	510,000	9,070,000
For the Second Quarter	2,570,070	$ 59.83	2,530,000	9,070,000

(1) In April, we acquired 40,070 of these shares from holders of our employee stock options when they tendered those shares as full or partial payment of the exercise price of such options. These shares were applied against the exercise price at the market price on the date of exercise. During the second quarter of 2012, we purchased 1,600,000 shares under the five-year, 10,000,000 share repurchase authorization that expired in May 2012. At that time, the share repurchase program was renewed by the Board of Directors for the repurchase of up to an additional 10,000,000 shares of the Company's common stock during the five-year period ending May 2017. We purchased 930,000 shares under this new program during the second quarter.

(2) As of June 30, 2012, the approximate number of shares still available for repurchase under the May 2017 share repurchase authorization was 9,070,000.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) None.

(b) None.

Item 6. Exhibits

10.1	Dover Corporation 2012 Equity and Cash Incentive Plan, effective as of May 3, 2012.*
31.1	Certificate pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, signed and dated by Brad M. Cerepak.
31.2	Certificate pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, signed and dated by Robert A. Livingston.
32	Certificate pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, signed and dated by Robert A. Livingston and Brad M. Cerepak.
101	The following materials from Dover Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statements of Comprehensive Earnings, (ii) the Condensed Consolidated Balance Sheets, (iii) the Condensed Consolidated Statement of Shareholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.

* Management compensation plan or arrangement

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

DOVER CORPORATION

Date: July 18, 2012	/s/ Brad M. Cerepak
	Brad M. Cerepak, Senior Vice President & Chief Financial Officer (Principal Financial Officer)
Date: July 18, 2012	/s/ Raymond T. McKay Jr.
	Raymond T. McKay, Jr., Vice President, Controller (Principal Accounting Officer)

EXHIBIT INDEX

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* Management compensation plan or arrangement

Exhibit 10.1

DOVER CORPORATION
2012 EQUITY AND CASH INCENTIVE PLAN
(Effective as of May 3, 2012)

A. PURPOSE AND SCOPE OF THE PLAN

1. *Purposes.* The 2012 Equity and Cash Incentive Plan is intended to promote the long-term success of Dover Corporation by providing salaried officers and other key employees of Dover Corporation and its Affiliates, on whom major responsibility for the present and future success of Dover Corporation rests, with long-range and medium-range inducement to remain with the organization and to encourage them to increase their efforts to make Dover Corporation successful. The Plan is also intended to attract and retain individuals of outstanding ability to serve as non-employee directors of Dover Corporation by providing them the opportunity to acquire a proprietary interest, or to increase their proprietary interest, in Dover Corporation.

2. *Definitions.*

"Affiliate" shall mean any Subsidiary or any corporation, trade or business (including without limitation, a partnership or limited liability company) that is directly or indirectly controlled (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Corporation or one of its Affiliates, and any other entity in which the Corporation or any of its Affiliates has a material equity interest and that is designated as an Affiliate by the Committee.

"Award" shall mean any award under this Plan of any Option, SSAR, Cash Performance Award, Restricted Stock, Restricted Stock Unit, Performance Shares, Deferred Stock Unit, or Directors' Shares.

"Award Agreement" shall mean, with respect to each Award, a written or electronic agreement or communication between the Corporation and a Participant setting forth the terms and conditions of the Award. An Award Agreement may be required, as a condition of its effectiveness, to be executed by the Participant, including by electronic signature or other electronic indication of acceptance.

"Board" shall mean the Board of Directors of the Corporation as in office from time to time.

"Cash Performance Award" shall mean an Award of the right to receive cash at the end of a Performance Period subject to the achievement, or the level of performance, of one or more Performance Targets within such Performance Period, as provided in Paragraph 20.

"Cause" shall mean a Participant (a) engages in conduct that constitutes willful misconduct, dishonesty, or gross negligence in the performance of his or her duties and results in material detriment to the Corporation or an Affiliate; (b) breaches his or her fiduciary duties to the Corporation or an Affiliate; (c) willfully fails to carry out the lawful and ethical directions of the person(s) to whom he or she reports, which failure is not promptly corrected after notification; (d) engages in conduct that is demonstrably and materially injurious to the Corporation or an Affiliate, or that materially harms the reputation, good will, or business of the Corporation or an Affiliate; (e) engages in conduct that is reported in the general or trade press or otherwise achieves general notoriety and that is scandalous, immoral or illegal and materially harms the reputation, good will, or business of the Corporation or an Affiliate; (f) is convicted of, or enters a plea of guilty or nolo contendere (or similar plea) to, a crime that constitutes a felony, or a crime that constitutes a misdemeanor involving moral turpitude, dishonesty or fraud; (g) is found liable in any Securities and Exchange Commission or other civil or criminal securities law action, or any cease and desist order applicable to him or her is entered (regardless of whether or not the Participant admits or denies liability); (h) uses, without authorization, confidential or proprietary information of the Corporation or an Affiliate or information which the Corporation or Affiliate is obligated not to use or disclose, or discloses such information without authorization and such disclosure results in material detriment to the Corporation or an Affiliate; (i) breaches any written agreement with the Corporation or an Affiliate not to disclose any information pertaining to the Corporation or an Affiliate or their customers, suppliers and businesses and such breach results in material detriment to the Corporation or an Affiliate; (j) materially breaches any agreement relating to non-solicitation, non-competition, or the ownership or protection of the intellectual property of the Corporation or an Affiliate; or (k) breaches any of the Corporation's or an Affiliate's policies applicable to him or her, whether currently in effect or adopted after the Effective Date of the Plan, and such breach, in the Committee's judgment, could result in material detriment to the Corporation or an Affiliate.

"CEO" shall mean the Chief Executive Officer of the Corporation.

"Change of Control" shall mean Change of Control as defined in Paragraph 37.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall also be deemed to include a reference to any successor provisions thereto and the Treasury regulations and any guidance promulgated thereunder.

“Committee” shall mean the Compensation Committee of the Board or other committee of the Board duly appointed to administer the Plan and having such powers as shall be specified by the Board. If no committee of the Board has been appointed to administer the Plan, the members of the Board that meet the qualifications below for membership on the Committee shall exercise all of the powers of the Committee granted herein, and, in any event, such members of the Board may in their discretion exercise any or all of such powers. All members of the Committee administering the Plan shall comply in all respects with any qualifications required by law, including specifically being a “non-employee director” for purposes of the rules promulgated under the Exchange Act, and an “outside director” for purposes of Section 162(m) of the Code, and satisfying any other independence requirement under applicable exchange rules, law or regulations.

“Common Stock” shall mean the common stock of the Corporation, par value $1.00 per share.

“Corporation” shall mean Dover Corporation, a Delaware corporation, or any successor corporation.

“Covered Executive” shall mean any individual who is, or could be, a “covered employee” of the Corporation for purposes of Section 162(m) of the Code, as determined by the Committee.

“Deferred Stock Unit” shall mean a bookkeeping entry representing a right granted to a Non-Employee Director pursuant to Paragraph 35 of the Plan to receive a deferred payment of Directors' Shares to be issued and delivered at the end of the deferral period elected by the Non-Employee Director.

“Directors' Shares” shall mean the shares of Common Stock issuable to each eligible Non-Employee Director as provided in Paragraph 34.

“Disability” or “Disabled” shall mean the permanent and total Disability of the Participant within the meaning of Section 22(e)(3) and 409A(a)(2)(c)(i) of the Code, except as otherwise determined by the Committee from time to time or as provided in an Award Agreement. The determination of a Participant's Disability shall be made by the Committee in its sole discretion.

“Dividend Equivalents” shall mean a credit to a bookkeeping account established in the name of a Participant, made at the discretion of the Committee or as otherwise provided by the Plan, representing the right of a Participant to receive an amount equal to the cash dividends paid on one share of Common Stock for each share of Common Stock represented by an Award held by such Participant.

Dividend Equivalents (i) may only be awarded in connection with an Award other than an Option, SSAR or Cash Performance Award, (ii) shall be accumulated and become payable only if, and to the extent, the Award vests, and (iii) shall be paid at or after the vesting date of the Award.

“Early Retirement I” shall mean the termination of a Participant's employment with the Corporation and its Affiliates if, at the time of such termination of employment, (i) the Participant has at least ten (10) years of service with the Corporation and its Affiliates (service with an Affiliate shall be credited only for the period an Affiliate is owned by the Corporation), (ii) the sum of the Participant's years of service plus his or her age on the date of such termination equals at least sixty five (65), (iii) the Participant satisfies the notice requirements set forth in the Plan, and (iv) the Participant complies with the non-competition restrictions in Paragraph 43. In order to be eligible for Early Retirement I or II, a Participant must give six (6) months advance notice of retirement and must continue to be employed by the Corporation (or any Affiliate provided such Affiliate continues to be owned by the Corporation throughout the notice period) and perform his or her duties throughout such notice period. Failure to satisfy the notice requirement will render the Participant ineligible for Early Retirement I and II notwithstanding the satisfaction by the Participant of all other applicable requirements. Dover's CEO shall have the authority to reduce or waive the notice requirement.

“Early Retirement II” shall mean the termination of a Participant's employment with the Corporation and its Affiliates if, at the time of such termination of employment, (i) the Participant has at least fifteen (15) years of service with the Corporation and its Affiliates (service with an Affiliate shall be credited only for the period an Affiliate is owned by the Corporation), (ii) the sum of the Participant's years of service plus his or her age on the date of such termination equals at least seventy (70), (iii) the Participant satisfies the notice requirements set forth in the Plan, and (iv) the Participant complies with the non-competition restrictions in Paragraph 43. In order to be eligible for Early Retirement II, a Participant must provide advance notice of such Early Retirement, continue to provide services, and perform his or her duties throughout such notice period as set forth in the definition of Early Retirement I above. Dover's CEO shall have the authority to reduce or waive the notice requirement.

"Early Retirement III" shall mean (i) the termination of a Participant's employment with the Corporation and its Affiliates due to the sale of stock or assets of the business unit by which the Participant is employed, (ii) the Participant is so employed in good standing by the business unit through the date of such sale, and (iii) the Participant complies with the non-competition restrictions in Paragraph 43.

"Effective Date" shall mean the Effective Date of the Plan as specified in Paragraph 55.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Fair Market Value" with respect to any share of Common Stock as of any date of reference, shall be determined in good faith by the Committee on the basis of such considerations as the Committee deems appropriate from time to time, including, but not limited to, such factors as the closing price for a share of Common Stock on such day (or, if such day is not a trading day, on the next trading day) on the principal United States exchange on which the Common Stock then regularly trades, the average of the closing bid and asked prices for a share of Common Stock on such exchange on the date of reference, or the average of the high and low sales price of a share of Common Stock on such exchange on the date of reference. In the case of an Award subject to Section 409A of the Code, "Fair Market Value" shall be determined in accordance with Section 409A of the Code.

"ISO" shall mean any Option intended to be, and designated as, an incentive stock option within the meaning of Section 422 of the Code.

"Normal Retirement" shall mean (i) the termination of a Participant's employment with the Corporation and its Affiliates if, at the time of such termination of employment, the Participant has attained age sixty two (62), and (ii) the Participant complies with the non-competition restrictions in Paragraph 43. In the event that the stock or assets of a business unit of the Corporation or an Affiliate that employs a Participant is sold, a Participant who has attained age 62 and remains employed by such business unit in good standing through the date of such sale, shall be treated as having terminated employment with the Corporation and its Affiliates in a Normal Retirement on the date of such sale, provided that the Participant complies with the non-compete restrictions in Paragraph 43.

"Non-Employee Director" shall mean a member of the Board who is not an employee of the Corporation or an Affiliate.

"Non-Qualified Stock Option" shall mean any Option that is not an ISO.

"Option" shall mean a right granted to a Participant to purchase Common Stock pursuant to Paragraph 6. An Option may be either an ISO or a Non-Qualified Stock Option.

"Participant" shall mean any employee of the Corporation or an Affiliate who is a salaried officer or other key employee, including salaried officers who are also members of the Board, and a Non-Employee Director.

"Performance Criteria" shall mean the business criteria listed on Exhibit A hereto on which Performance Targets shall be established.

"Performance Period" shall mean the period established by the Committee for measuring whether and to what extent any Performance Targets established in connection with an Award have been met. With respect to a Cash Performance Award and a Performance Share Award, a Performance Period shall be not less than three (3) full fiscal years of the Corporation, including the year in which an Award is made and may be shorter in the case of other Awards but not less than one full fiscal year.

"Performance Targets" shall mean the performance targets established by the Committee in connection with any Award based on one or more of the Performance Criteria that must be met in order for payment to be made with respect to such Award.

"Performance Share" shall mean a bookkeeping entry representing a right granted to a Participant pursuant to an Award made under Paragraph 24 of the Plan to receive shares of Common Stock to be issued and delivered at the end of a Performance Period, subject to the achievement, or the level of performance, of one or more Performance Targets within such period.

"Plan" shall mean the Dover Corporation 2012 Equity and Cash Incentive Plan, as set forth herein, and as amended from time to time.

"Predecessor Plans" shall mean the Dover Corporation 2005 Equity and Cash Incentive Plan and the Dover Corporation 1996 Non-Employee Directors' Stock Compensation Plan.

"Restricted Period" shall mean the period of time during which the Restricted Stock or Restricted Stock Units are subject to Restrictions pursuant to Paragraph 14.

"Restricted Stock" shall mean shares of Common Stock that are subject to an Award to a Participant under Paragraph 13 and may be subject to certain Restrictions or risks of forfeiture specified in the Award.

"Restricted Stock Unit" shall mean a bookkeeping entry representing a right granted to a Participant pursuant to an Award made under Paragraph 13 of the Plan to receive shares of Common Stock to be issued and delivered at the end of a specified period subject to any Restrictions or risks of forfeiture specified in the Award.

"Restrictions" shall mean the restrictions to which Restricted Stock or Restricted Stock Units are subject under the provisions of Paragraph 14, including any Performance Targets established by the Committee.

"Section 16 Person" shall mean those officers, directors, or other persons subject to Section 16 of the Exchange Act.

"Securities Act" shall mean the Securities Act of 1933, as amended from time to time.

"SSAR" shall mean the right granted to a Participant under Paragraph 6 to be paid an amount measured by the appreciation in the Fair Market Value of Common Stock from the date of grant to the date of surrender of the Award, with payment to be made solely in shares of Common Stock as specified in the Award Agreement or as determined by the Committee.

"Subsidiary" shall mean any present or future corporation that is or would be a "subsidiary corporation" with respect to the Corporation as defined in Section 424 of the Code.

3. *Successor Plan*. No further Awards may be made under the Predecessor Plans after the Effective Date. Awards issued and outstanding under the Predecessor Plans as of the Effective Date shall continue to be administered pursuant to the provisions of the Predecessor Plans.

4. *Administration*.

(a) *Administration by Committee.* The Plan shall be administered and interpreted by the Committee.

(b) *Powers*. The Committee will have sole and complete authority and discretion to administer all aspects of the Plan, including but not limited to: (i) selecting the Participants to whom Awards may be granted under the Plan and the time or times at which such Awards shall be made; (ii) granting Awards; (iii) determining the type and number of shares of Common Stock to which an Award may relate and the amount of cash to be subject to Cash Performance Awards; (iv) determining the terms and conditions pursuant to which Awards will be made (which need not be identical), including, without limitation, the exercise or base price of an Option or SSAR Award, Performance Targets, Performance Periods, forfeiture restrictions, exercisability conditions, and all other matters to be determined in connection with an Award; (iv) determining whether and to what extent Performance Targets or other objectives or conditions applicable to Awards have been met; (vi) prescribing the form of Award Agreements, which need not be identical; (vii) determining whether and under what circumstances and in what form an Award may be settled; (viii) determining whether an Award is intended to satisfy Section 162(m) of the Code; and (ix) making all other decisions and determinations as may be required or appropriate under the terms of the Plan or an Award Agreement as the Committee may deem necessary or advisable for the administration of the Plan.

(c) *Authority*. The Committee shall have the discretionary authority to adopt, alter, repeal and interpret and construe such administrative rules, guidelines and practices governing this Plan, Awards and the Award Agreements, and perform all acts, including the delegation of its administrative responsibilities, as it shall, from time to time, deem advisable; to construe and interpret the terms and provisions of this Plan and any Award issued under this Plan and any Award Agreements relating thereto; to resolve any doubtful or disputed terms; and to otherwise supervise the administration of this Plan. The Committee may correct any defect, supply any omission or reconcile any inconsistency in this Plan or in any Award Agreement relating thereto in the manner and to the extent it shall deem necessary to effectuate the purposes and intent of this Plan. The Committee may adopt sub-plans or supplements to, or alternative versions of, the Plan, Awards, or Award Agreements, or alternative forms of payment or settlement, as the Committee deems necessary or desirable to comply with the laws of, or to accommodate the laws, regulations, tax or accounting effectiveness, accounting principles, foreign exchange rules, or customs of, foreign jurisdictions whose citizens or residents may be granted Awards. The Committee may impose any limitations and restrictions that it deems necessary to comply with the laws of such foreign jurisdictions and modify the terms and conditions of any Award granted to Participants outside the Untied States.

(d) *Effect of Actions*. Any decision, interpretation or other action made or taken in good faith by or at the direction of the Corporation, the Board or the Committee (or any of its members) arising out of or in connection with this Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Corporation and all employees and Participants and their respective heirs, executors, administrators, successors and assigns and any persons claiming rights under this Plan or an Award. A Participant or other person claiming rights under this Plan may contest a decision or action by the Committee with respect to an Award or such other person only on the ground that such decision or action was arbitrary, capricious, or unlawful, and any review of such decision or action by the Board or otherwise shall be limited to determining whether the Committee's decision or action was arbitrary, capricious or unlawful.

(e) *Legal Counsel.* The Corporation, the Board or the Committee may consult with legal counsel, who may be counsel for the Corporation or other counsel, with respect to its obligations or duties hereunder, or with respect to any action or proceeding or any question of law, and shall not be liable with respect to any action taken or omitted by it in good faith pursuant to the advice of such counsel.

(f) *Delegation to CEO and President*. The Committee may delegate all or a portion of its authority, power and functions (other than the power to grant awards to Section 16 Persons or Covered Executives) to the CEO to the extent permitted under Delaware corporate law. To the extent and within the guidelines established by the Committee, the CEO shall have the authority to exercise all of the authority and powers granted to the Committee under this Paragraph 4, including the authority to grant Awards, without the further approval of the Committee. The CEO may delegate all or a portion of the authority delegated to him or her hereunder to the President of the Corporation to the extent permitted under Delaware law.

(g) *Indemnification*. The Committee, its members, the CEO, and any employee of the Corporation or an Affiliate to whom authority or administrative responsibilities has been delegated shall not be liable for any action or determination made in good faith with respect to this Plan. To the maximum extent permitted by applicable law, no officer of the Corporation or Affiliate or member or former member of the Committee shall be liable for any action or determination made in good faith with respect to this Plan or any Award granted under it. To the maximum extent permitted by applicable law or the Certificate of Incorporation or By-Laws of the Corporation (or if applicable, of an Affiliate), each officer and Committee member or former officer or member of the Committee shall be indemnified and held harmless by the Corporation (or if applicable, an Affiliate) against any cost or expense (including reasonable fees of counsel reasonably acceptable to the Corporation) or liability (including any sum paid in settlement of a claim with the approval of the Corporation), and shall be advanced amounts necessary to pay the foregoing at the earliest time and to the fullest extent permitted, arising out of any act or omission to act in connection with this Plan, except to the extent arising out of such Committee member's, officer's, or former member's or former officer's own fraud or bad faith. Such indemnification shall be in addition to any rights of indemnification the officers, directors or Committee members or former officers, directors or Committee members may have under applicable law or under the Certificate of Incorporation or By-Laws of the Corporation or any Affiliate.

5. *Shares*.

(a) *Shares Available for Grant.* An aggregate maximum of 17,000,000 shares of Common Stock will be reserved for issuance upon exercise of Options to purchase Common Stock granted under the Plan, the exercise of SSARs granted under the Plan, and for Awards of Restricted Stock, Restricted Stock Units, Performance Shares, Directors' Shares, and Deferred Stock Units. This maximum share reserve is subject to appropriate adjustment resulting from future stock splits, stock dividends, recapitalizations, reorganizations, and other similar changes to be computed in the same manner as that provided for in Paragraph 5(b) below. The number of shares of Common Stock available for issuance under the Plan shall be reduced (i) by one share for each share of Common Stock issued pursuant to Options or SSARs, and (ii) by three (3) shares for each share of Common Stock issued pursuant to Restricted Stock, Restricted Stock Unit, Performance Share, Directors' Shares, and Deferred Stock Unit Awards. If any Option or SSAR granted under the Plan expires, terminates, or is canceled for any reason without having been exercised in full, or if any Award of Restricted Stock, Restricted Stock Unit, Performance Shares, Directors' Shares, or Deferred Stock Unit is forfeited or canceled for any reason, the number of shares underlying such unexercised Option or SSAR and the number of forfeited or canceled shares under such other Awards will again be available under the Plan in an amount corresponding to the reduction in such share reserve previously made in accordance with the rules described above in this Paragraph 5(a). However, the total original number of shares subject to any Option, SSAR, Award of Restricted Stock, Restricted Stock Unit, Performance Shares, Directors' Shares, or Deferred Stock Unit granted under the Plan that is exercised, vests or held until payout shall continue to be counted against the aggregate maximum number of shares reserved for issuance under the Plan in an amount corresponding to the reduction in such share reserve as set forth above, even if such grant is settled in whole or in part other than by the delivery of Common Stock to a Participant (including, without limitation, any net share exercise, tender of shares to the Corporation to pay the exercise price, attestation to the ownership of shares owned by the Participant, or withholding of any shares to satisfy tax withholding obligations). The shares of Common Stock available under this Plan may be either authorized and unissued Common Stock or Common Stock held in or acquired for the treasury of the Corporation.

(b) *Effect of Stock Dividends, Merger, Recapitalization or Reorganization or Similar Events*. In the event of any change in the Common Stock through merger, consolidation, reorganization, reincorporation, recapitalization, reclassification, stock dividend, stock split, reverse stock split, split-up, split-off, spin-off, combination of shares, exchange of shares or similar change in the capital structure of the Corporation, if all or substantially all the assets of the Corporation are transferred to any other corporation in a reorganization, or in the event of payment of a dividend or distribution to the stockholders of the Corporation in a form other than Common Stock (excepting normal cash dividends) that has a material effect on the Fair Market Value of shares of Common Stock, appropriate adjustments shall be made by the Committee in the number and class of shares subject to the Plan, in the ISO Share Limit set forth in Paragraph 6(e), the Award limits set forth in Paragraph 5(c), the number of shares subject to any outstanding Awards, and in the exercise or base price per share under any outstanding Option or SSAR. The adjustments to be made pursuant to this Paragraph 5(b) shall meet the requirements of Section 409A of the Code and the regulations thereunder.

(c) *Section 162(m) Award Limitation*. The maximum number of shares of Common Stock subject to any Award intended to comply with Section 162(m) of the Code that may be granted under this Plan during any fiscal year of the Corporation to any Participant shall be 2,000,000 Options or SSARs, 500,000 shares of Restricted Stock, and 500,000 Restricted Stock Units. No employee shall be granted any Performance Share Award intended to comply with Section 162(m) of the Code that could result in the Participant receiving more than 500,000 shares of Common Stock for any Performance Period. No employee shall be granted a Cash Performance Award intended to comply with Section 162(m) of the Code that could result in a Participant receiving a payment of more than $10,000,000 for any Performance Period. The share limits in this Paragraph 5(c) shall be subject to adjustment pursuant to Paragraph 5(b).

B. OPTION AND SSAR GRANTS

6. *Stock Options and SSARs*. Options to purchase shares of Common Stock may be granted under the terms of the Plan and shall be designated as either Non-Qualified Stock Options or ISOs. SSARs may also be granted under the terms of the Plan. SSARs shall be granted separately from Options and the exercise of an SSAR shall not be linked in any way to the exercise of an Option and shall not affect any Option Award then outstanding. Option grants and SSARs shall contain such terms and conditions as the Committee may from time to time determine, subject to the following limitations:

(a) *Exercise Price*. The price at which shares of Common Stock may be purchased upon exercise of an Option shall be fixed by the Committee and may be equal to or more than (but not less than) the Fair Market Value of a share of the Common Stock as of the date the Option is granted.

(b) *Base Price*. The base price of an SSAR shall be fixed by the Committee and may be equal to or more than (but not less than) the Fair Market Value of a share of the Common Stock as of the date the SSAR is granted.

(c) *Term.* The term of each Option or SSAR will be for such period as the Committee shall determine as set forth in the Option or SSAR Award Agreement, but in no event shall the term of an Option or SSAR be greater than ten (10) years from the date of grant.

(d) *Rights of Participant*. A recipient of an Option or SSAR Award shall have no rights as a shareholder with respect to any shares issuable or transferable upon exercise thereof until the date of issuance of such shares. Except as specifically set forth in Paragraph 5(b) above, no adjustment shall be made for dividends or other distributions of cash or other property on or with respect to shares of Common Stock covered by Options or SSARs paid or payable to Participants of record prior to such issuance.

(e) *ISO Limits*. The aggregate Fair Market Value (determined on the date of grant) of Common Stock with respect to which a Participant is granted ISOs (including ISOs granted under the Predecessor Plan) which first become exercisable during any given calendar year shall not exceed $100,000. In no event shall more than 1,000,000 shares of Common Stock be available for issuance pursuant to the exercise of ISOs granted under the Plan.

7. *Exercise*. An Option or SSAR Award granted under the Plan shall be exercisable during the term of the Option or SSAR subject to such terms and conditions as the Committee shall determine and are specified in the Award Agreement, not inconsistent with the terms of the Plan. Except as otherwise provided herein, no Option or SSAR may be exercised prior to the third anniversary of the date of grant. The Committee may adopt alternative vesting and exercise rules to comply with the provisions of foreign laws and for other reasons as it may determine in its discretion. In addition, the Committee may condition the exercise of an Option or SSAR upon the attainment by the Corporation or any Affiliate, business unit or division or by the Participant of any Performance Targets set by the Committee.

(a) *Option*. To exercise an Option, the Participant must give written notice to the Corporation of the number of shares to be purchased accompanied by payment of the full purchase price of such shares as set forth in Paragraph 8 pursuant to such electronic or other procedures as may be specified by the Corporation or its plan administrator from time to time. The date when the Corporation has actually received both such notice and payment shall be deemed the date of exercise of the Option with respect to the shares being purchased and the shares shall be issued as soon as practicable thereafter.

(b) *SSAR*. To exercise an SSAR, the SSAR Participant must give written notice to the Corporation of the number of SSARs being exercised as provided in the SSAR Award Agreement pursuant to such electronic or other procedures as may be specified by the Corporation or its plan administrator from time to time. No payment shall be required to exercise an SSAR. The date of actual receipt by the Corporation of such notice shall be deemed to be the date of exercise of the SSAR and the shares issued in settlement of such exercise therefor shall be issued as soon as practicable thereafter. Upon the exercise of an SSAR, the SSAR Participant shall be entitled to receive from the Corporation for each SSAR being exercised that number of whole shares of Common Stock having a Fair Market Value on the date of exercise of the SSAR equal in value to the excess of (A) the Fair Market Value of a share of Common Stock on the exercise date over (B) the sum of (i) the base price of the SSAR being exercised, plus (ii) unless the Participant elects to pay such tax in cash, any amount of tax that must be withheld in connection with such exercise. Fractional shares of Common Stock shall be disregarded upon exercise of an SSAR unless otherwise determined by the Committee. The Committee may provide for SSARs to be settled in cash to the extent the Committee determines to be advisable or appropriate under foreign laws or customs.

8. *Payment of Exercise Price*. Payment of the Option exercise price must be made in full pursuant to any of the following procedures or such other electronic or other procedures as may be specified by the Committee or its plan administrator from time to time: (i) in cash, by check or cash equivalent, (ii) by delivery to the Corporation of unencumbered shares of Common Stock owned by the Participant having a Fair Market Value not less than the exercise price, (iii) by attestation to the Corporation by the Participant of ownership of shares of Common Stock having a Fair Market Value not less than the exercise price accompanied by a request and authorization to the Corporation to deliver to the Participant upon exercise only the number of whole shares by which the number of shares covered by the Option being exercised exceeds the number of shares stated in such attestation; (iv) by delivery to the Corporation by a broker of cash equal to the exercise price of the Option upon an undertaking by the Participant to cause the Corporation to deliver to the broker some or all of the shares being acquired upon the exercise of the Option (a “Cashless Exercise”), (iv) by a “net exercise” arrangement pursuant to which the Corporation will reduce the number of shares of Common Stock issued upon exercise of the Option by the largest whole number of shares with a Fair Market Value that does not exceed the aggregate exercise price and the Participant shall deliver to the Corporation a cash or other payment to the extent of any remaining balance of the aggregate exercise price not satisfied by such reduction in the number of whole shares to be issued; (v) by such other consideration as may be approved by the Committee from time to time to the extent permitted by applicable law, or (vi) by any combination of the foregoing. The Committee may at any time or from time to time grant Options which permit only some of the foregoing forms of consideration to be used in payment of the exercise price or which otherwise restrict the use of one or more forms of consideration. Any shares transferred to the Corporation will be added to the Corporation's treasury shares or canceled and become authorized and unissued shares of Common Stock but such shares shall not increase the shares reserved for issuance under the Plan in Paragraph 5(a) above. The number of shares of Common Stock covered by, and available for exercise under, a Participant's Options shall be reduced by

(A) shares covered by an attestation used for netting in accordance with clause (iii) above; (B) shares used to pay the exercise price pursuant to a "net exercise" in accordance with clause (iv) above; (C) shares delivered to the Participant as a result of any exercise, and (D) shares withheld to satisfy tax withholding obligations.

9. *Transfers.* The Options and SSARs granted under the Plan may not be sold, transferred, hypothecated, pledged, or otherwise disposed of by any Participant except by will or by the laws of descent and distribution, or as otherwise provided herein. The Option or SSARs of any person to acquire stock and all rights thereunder shall terminate immediately if the Participant attempts to or does sell, assign, transfer, pledge, hypothecate or otherwise dispose of the Option or SSAR or any rights thereunder to any other person except as permitted herein. Notwithstanding the foregoing, a Participant may transfer any Non-Qualified Stock Option (but not ISOs or SSARs) granted under this Plan to members of the Participant's immediate family (defined as a spouse, children and/or grandchildren), or to one or more trusts for the benefit of such family members if the instrument evidencing such Option expressly so provides and the Participant does not receive any consideration for the transfer; provided that any such transferred Option shall continue to be subject to the same terms and conditions that were applicable to such Option immediately prior to its transfer (except that such transferred Option shall not be further transferred by the transferee during the transferee's lifetime).

10. *Effect of Death, Disability or Retirement*.

(a) *Death, Disability, Normal Retirement*. If a Participant dies or becomes Disabled while employed by the Corporation, all Options or SSARs held by such Participant shall become immediately exercisable and the Participant or such Participant's estate or the legatees or distributees of such Participant's estate or of the Options or SSARs, as the case may be, shall have the right, on or before the earlier of the respective expiration date of an Option and SSAR or sixty (60) months following the date of such death or Disability, to exercise any or all Options or SSARs held by such Participant as of such date of death or Disability. If a Participant's employment terminates as the result of a Normal Retirement, the Participant shall have the right, on or before the earlier of the expiration date of the Option or SSAR and sixty (60) months following the date of such Normal Retirement, to purchase or acquire shares under any Options or SSARs which at the date of his or her Normal Retirement are, or within sixty (60) months following the date of Normal Retirement become, exercisable.

(b) *Early Retirement*. If a Participant's employment terminates as the result of Early Retirement I, the Participant shall have the right, on or before the earlier of the expiration date of the Option or SSAR or twenty-four (24) months following the date of such Early Retirement I, to exercise, and acquire shares under, any Option or SSAR which at the date of Early Retirement I are, or within twenty-four (24) months following such termination become, exercisable. If a Participant's employment terminates as the result of Early Retirement II, the Participant shall have the right, on or before the earlier of the expiration date of the Option or SSAR or thirty-six (36) months following the date of such Early Retirement II, to exercise, and acquire shares under, any Option or SSAR which at the date of Early Retirement II are, or within thirty-six (36) months following such termination become, exercisable. If a Participant's employment terminates as the result of Early Retirement III, the Participant shall have the right, on or before the earlier of the expiration date of the Option or SSAR or twelve (12) months following the date of such Early Retirement III, to exercise, and acquire shares under, any Option or SSAR which at the date of Early Retirement III are, or within twelve (12) months following such termination become, exercisable. Notwithstanding the above, if a Participant eligible for Early Retirement III would also qualify for Early Retirement I or II excluding the notice requirement, the Participant shall be entitled to the benefits of Early Retirement I or II, as appropriate.

11. *Voluntary or Involuntary Termination.* If a Participant's employment with the Corporation is voluntarily or involuntarily terminated for any reason, other than for reasons or in circumstances specified in Paragraph 10 above or for Cause, the Participant shall have the right at any time on or before the earlier of the expiration date of the Option or SSAR or three (3) months following the effective date of such termination of employment, to exercise, and acquire shares under, any Options or SSARs which at such termination are exercisable.

12. *Termination for Cause.* If a Participant's employment with the Corporation is terminated for Cause, the Option or SSAR shall be canceled and the Participant shall have no further rights to exercise any such Option or SSAR and all of such Participant's rights thereunder shall terminate as of the effective date of such termination of employment.

C. RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS

13. *Grant*. Subject to the provisions and as part of the Plan, the Committee shall have the discretion and authority to make Restricted Stock Awards and Restricted Stock Unit Awards to Participants at such times, and in such amounts, as the Committee may determine in its discretion. Subject to the provisions of the Plan, grants of Restricted Stock and Restricted Stock Units shall contain such terms and conditions as the Committee may determine at the time of Award.

14. *Restrictions; Restricted Period*. At the time of each grant, the Committee may adopt such time based vesting schedules, not less than one (1) year and not longer than five (5) years from the date of the Award, and such other forfeiture conditions and Restrictions, as it may deem appropriate with respect to Awards of Restricted Stock and Restricted Stock Units, to apply during a Restricted Period as may be specified by the Committee. The Committee may in its discretion condition the vesting of Restricted Stock Awards and Restricted Stock Units upon the attainment of Performance Targets established by the Committee. No more than 5% of the aggregate number of the shares reserved for issuance under the Plan (as adjusted pursuant to Paragraph 5(b)) may be awarded as Restricted Stock Awards or Restricted Stock Unit Awards having a vesting period more rapid than annual pro rata vesting over a period of three (3) years.

15. *Issuance of Shares*.

(a) *Restricted Stock*. Shares in respect of Restricted Stock Awards shall be registered in the name of the Participant and, in the discretion of the Committee, held either in book entry form or in certificate form and deposited with the Secretary of the Corporation. A Participant shall be required to have delivered a stock power endorsed by the Participant in blank relating to the Restricted Stock covered by an Award. Upon lapse of the applicable Restrictions, as determined by the Committee, the Corporation shall deliver such shares of Common Stock to the Participant in settlement of the Restricted Stock Award. To the extent that the shares of Restricted Stock are forfeited, such shares automatically shall be transferred back to the Corporation. The Corporation will stamp any stock certificates delivered to the Participant with an appropriate legend or notations if the shares are not registered under the Securities Act, or are otherwise not free to be transferred by the Participant and will issue appropriate stop-order instructions to the transfer agent for the Common Stock, if and to the extent such stamping or instructions may then be required by the Securities Act or by any rule or regulation of the Securities and Exchange Commission issued pursuant to the Securities Act.

(b) *Restricted Stock Units*. Restricted Stock Units shall be credited as a bookkeeping entry in the name of the Participant to an account maintained by the Corporation. No shares of Common Stock will be issued to the Participant in respect of Restricted Stock Units on the date of an Award. Shares of Common Stock shall be issuable to the Participant only upon the lapse of such Restrictions as determined by the Committee. Upon such lapse and determination, the Corporation shall deliver such shares of Common Stock to the Participant in settlement of the Restricted Stock Unit Award. To the extent that a Restricted Stock Unit Award is forfeited, no shares of Common Stock shall be issued to a Participant.

16. *Dividend Equivalents and Voting Rights*. Dividend Equivalents shall not be paid on a Restricted Stock Award or Restricted Stock Unit Award during the Restricted Period. In the discretion of the Committee, Dividend Equivalents may be credited to a bookkeeping account for a Participant for distribution to Participant on or after a Restricted Stock Award or Restricted Stock Unit Award vests (such Dividend Equivalents shall be payable upon fixed dates or events in accordance with the requirements of Section 409A of the Code). An employee who receives an award of Restricted Stock shall not be entitled, during the Restricted Period, to exercise voting rights with respect to such Restricted Stock.

17. *Nontransferability.* Shares of Restricted Stock or Restricted Stock Units may not be sold, assigned, transferred, pledged or otherwise encumbered and shall not be subject to execution, attachment, garnishment or other similar legal process, except as otherwise provided in the applicable Award Agreement. Upon any attempt to sell, transfer, assign, pledge, or otherwise encumber or dispose of the Restricted Stock or Restricted Stock Units contrary to the provisions of the Award Agreement or the Plan, the Restricted Stock or Restricted Stock Unit and any related Dividend Equivalents shall immediately be forfeited to the Corporation.

18. *Termination of Employment.* In the case of a Participant's Disability, death, termination of employment by the Corporation other than for Cause or special circumstances, as determined by the Committee, any purely temporal restrictions remaining with respect to Restricted Stock or Restricted Stock Unit Awards as of the date of such Disability, death or such termination of employment other than for Cause or special circumstances, shall lapse and, if any Performance Targets are applicable, the Restricted Stock or Restricted Stock Unit Awards shall continue to vest as if the Participant's employment had not terminated until the prescribed time for determining attainment of Performance Targets has passed and the appropriate determination of attainment of Performance Targets has been made. If the Participant's employment with the Corporation is terminated as a result of (a) Normal Retirement, or (b) an Early Retirement, subject to compliance with the non-competition provisions of Paragraph 43 below in the case of Normal Retirement and Early Retirement, then, in either such case, the Restricted Stock and Restricted Stock Unit Awards shall continue to vest as if the Participant's employment had not terminated until such time as the remaining temporal restrictions lapse and, if any Performance Targets are applicable, the prescribed time for determining attainment of Performance Targets has passed and the appropriate determination of attainment of Performance Targets has been made. If a Participant's employment with the Corporation is voluntarily or involuntarily terminated for any other reason during the Restricted Period, the Restricted Stock and Restricted Stock Unit Awards shall be forfeited on the date of such termination of employment. Except as provided in Paragraphs 31-32, payment of Restricted Stock and Restricted Stock

Units that are subject to Performance Targets shall be subject to satisfaction of applicable Performance Targets and certification by the Committee of the attainment of such targets and the amount of the payment.

19. *Cancellation.* The Committee may at any time, with due consideration to the effect on the Participant of Section 409A of the Code, require the cancellation of any Award of Restricted Stock or Restricted Stock Units in consideration of a cash payment or alternative Award under the Plan equal to the Fair Market Value of the canceled Award of Restricted Stock or Restricted Stock Units.

D. CASH PERFORMANCE AWARDS

20. *Awards and Period of Contingency*. The Committee may, concurrently with, or independently of, the granting of another Award under the Plan, in its sole discretion, grant to a Participant the opportunity to earn a Cash Performance Award payment, conditional upon the satisfaction of objective pre-established Performance Targets with respect to Performance Criteria as set forth in Paragraphs 29-32 below during a specified Performance Period. The Performance Period shall be not less than three (3) fiscal years of the Corporation, including the year in which the Cash Performance Award is made. The Corporation shall make a payment in respect of any Cash Performance Award only if the Committee shall have certified that the applicable Performance Targets have been satisfied for a Performance Period except as provided in Paragraphs 31-32. The aggregate maximum cash payout for any business unit within the Corporation or an Affiliate or the Corporation as a whole shall not exceed a fixed percentage of the value created at the relevant business unit during the Performance Period, determined using such criteria as may be specified by the Committee, such percentages and dollar amounts to be determined by the Committee annually when Performance Targets and Performance Criteria are established. Cash Performance Awards shall be paid within two and one-half months following the year in which the relevant Performance Period ends. Cash Performance Awards may not be transferred by a Participant except by will or the laws of descent and distribution.

21. *Effect of Death, Disability, or Early Retirement*.

(a) *Death or Disability*. If a Participant dies or becomes Disabled while employed by the Corporation, then, the Participant (or the Participant's estate or the legatees or distributees of the Participant's estate, as the case may be) shall be entitled to receive on the payment date following the end of the Performance Period, the cash payment that the Participant would have earned had the Participant then been an employee of the Corporation, multiplied by a fraction, the numerator of which is the number of months the Participant was employed by the Corporation during the Performance Period and the denominator of which is the number of months of the Performance Period (treating fractional months as whole months in each case). Except as provided in Paragraphs 31-32, such payment shall be subject to satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such Performance Targets.

(b) *Early Retirement*. If the Participant's employment terminates pursuant to Early Retirement I or Early Retirement II, and, on the date of such Early Retirement I or II, the Participant holds one or more outstanding Cash Performance Awards, the Committee, or if the Committee delegates to the CEO such authority, the CEO, shall determine in its sole discretion whether the Participant is eligible to receive any payment and, if so, the amount thereof, in which event such payment shall be made on the date or dates following the date of the Participant's Early Retirement on which the Corporation pays Cash Performance Awards for the Performance Period relating to any such outstanding Cash Performance Award held by such Participant. Except as provided in Paragraphs 31-32, any such payment to a Participant shall be subject to the satisfaction of the applicable Performance Targets, certification by the Committee of the satisfaction of such Performance Targets and determination of the amount of the payment by the Committee, and may not exceed the amount that the Participant would have been entitled to receive had the Participant been an employee of the Corporation on such payment date. Except as provided in this Paragraph 21(b) and Paragraph 23(b), if the Participant is the subject of Early Retirement I or II, all Cash Performance Awards held by such Participant shall be canceled and all of the Participant's awards thereunder shall terminate as of the effective date of such Early Retirement. If the Participant in the Plan is the subject of Early Retirement III, all Cash Performance Awards held by such Participant shall be canceled and all of the Participant's rights thereunder shall terminate as of the effective date of such Early Retirement III except as provided in Paragraph 23(b). Notwithstanding the above, if a Participant eligible for Early Retirement III would also qualify for Early Retirement I or II excluding the notice requirement, the Participant shall be entitled to the benefits of Early Retirement I or II, as appropriate.

22. *Effect of Normal Retirement*. If, before the date of payment, the Participant's employment terminates pursuant to a Normal Retirement, the Participant shall be entitled to receive on the regular payment date for the Cash Performance Award the same amount of cash that the Participant would have earned had such Participant been an employee of the Corporation as of such date, subject to the satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such Performance Targets and the amount of the payment to the extent required by Paragraphs 31-32.

23. *Effect of Other Terminations of Employment*.

(a) *General Termination.* If a Participant's employment with the Corporation is terminated for any other reason, whether voluntary, involuntary, or for Cause other than a termination described in Paragraphs 21-22 above or in Paragraph 23(b) below, then his or her outstanding Cash Performance Awards shall be canceled and all of the Participant's rights under any such award shall terminate as of the effective date of the termination of such employment.

(b) *Pre-Payment Termination.* If, after the end of a Performance Period and before the date of payment of any final Cash Performance Award, a Participant's employment is terminated, whether voluntarily or involuntarily for any reason other than for Cause, the Participant shall be entitled to receive on the payment date the cash payment that the Participant would have earned had the Participant continued to be an employee of the Corporation as of the payment date, subject to the satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such Performance Targets and the amount of the payment.

E. PERFORMANCE SHARE AWARDS

24. *Awards and Period of Contingency*. The Committee may, concurrently with, or independently of, the granting of another Award under the Plan, in its sole discretion, grant to a Participant a Performance Share Award conditional upon the satisfaction of objective pre-established Performance Targets with respect to Performance Criteria as set forth in Paragraphs 29-32 below during a Performance Period of not less than three (3) fiscal years of the Corporation, including the year in which the conditional award is made. Any such grant may set a specific number of Performance Shares that may be earned, or a range of Performance Shares that may be earned, depending on the degree of achievement of Performance Targets pre-established by the Committee. Performance Share Awards shall be paid within two and one-half months following the year in which the relevant Performance Period ends. Except as provided in Paragraphs 31-32, the Corporation shall issue Common Stock in payment of Performance Share Awards only if the Committee shall have certified that the applicable Performance Targets have been satisfied at the end of a Performance Period. Prior to the issuance of shares of Common Stock at the end of a Performance Period, a Performance Share Award shall be credited as a bookkeeping entry in the name of the Participant in an account maintained by the Corporation. No shares of Common Stock will be issued to the Participant in respect of a Performance Share Award on the date of an Award. A Participant shall not be the legal or beneficial owner of shares subject to a Performance Share Award and shall not have any voting rights or rights to distributions with respect to such shares prior to the issuance of shares at the end of the Performance Period, provided that the Committee may specify that the Participant is entitled to receive Dividend Equivalents. A Participant may not transfer a Performance Share Award except by will or the laws of descent and distribution. The Committee may, in its discretion, credit a Participant with Dividend Equivalents with respect to a Performance Share Award.

25. *Effect of Death, Disability, or Early Retirement.*

(a) *Death or Disability*. If a Participant in the Plan holding a Performance Share Award dies or becomes Disabled while employed by the Corporation, then the Participant (or the Participant's estate or the legatees or distributes of the Participant's estate, as the case may be) shall be entitled to receive on the payment date at the end of the Performance Period, that number of shares of Common Stock that the Participant would have earned had the Participant then been an employee of the Corporation, multiplied by a fraction, the numerator of which is the number of months the Participant was employed by the Corporation during the Performance Period and the denominator of which is the number of months of the Performance Period (treating fractional months as whole months in each case). Except as provided in Paragraphs 31-32, such payment shall be subject to satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such Performance Targets and the amount of payment.

(b) *Early Retirement*. If the Participant's employment terminates pursuant to Early Retirement I or Early Retirement II and on the date of such Early Retirement the Participant holds one or more outstanding Performance Share Awards, the Committee, or if the Committee delegates to the CEO such authority, the CEO, shall determine in its sole discretion whether the Participant shall receive any payment and, if so, the amount thereof, in which event such payment shall be made on the date or dates following the date of the Participant's Early Retirement on which the Corporation pays Performance Share Awards for the Performance Period relating to any such outstanding Performance Share Award held by such Participant. Except as provided in Paragraphs 31-32, any such payment to the Participant shall be subject to the satisfaction of the applicable Performance Targets, and certification by the Committee of such satisfaction and determination by the Committee of the amount of payment, and may not exceed the number of shares that the Participant would have been entitled to receive had the Participant been an employee of the Corporation on such payment date. Except as provided in this Paragraph 25(b) and in Paragraph 27(b), if the Participant is the subject of Early Retirement I or II, all Performance Share Awards held by such Participant shall be canceled, and all of the Participant's Awards thereunder shall terminate as of the effective date of such

Early Retirement. If the Participant in the Plan is the subject of Early Retirement III, all Performance Share Awards held by such Participant shall be canceled and all of the Participant's rights thereunder shall terminate as of the effective date of such Early Retirement III, except as provided in Paragraph 27(b). Notwithstanding the above, if a Participant eligible for Early Retirement III would also qualify for Early Retirement I or II excluding the notice requirement, the Participant shall be entitled to the benefits of Early Retirement I or II, as appropriate.

26. *Effect of Normal Retirement*. If, before the date of payment of a Performance Share Award, the Participant's employment terminates due to a Normal Retirement, the Participant shall be entitled to receive on the payment date for the Performance Period the same number of shares that the Participant would have earned had such Participant then been an employee of the Corporation as of such date, subject to the satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such Performance Targets and the amount of the payment to the extent required by Paragraphs 31-32.

27. *Effect of Other Terminations of Employment.*

(a) *General Termination*. If a Participant's employment with the Corporation is terminated for any reason, whether voluntary, involuntary, or for Cause, other than those terminations described in Paragraphs 25-26 above or in Paragraph 27(b) below, then his or her outstanding Performance Share Awards shall be canceled and all of the Participant's rights under any such award shall terminate as of the effective date of the termination of such employment.

(b) *Pre-Payment Termination.* If, after the end of a Performance Period and before the date of payment of any final award, a Participant's employment is terminated, whether voluntarily or involuntarily for any reason other than for Cause, the Participant shall be entitled to receive on the payment date the payment that the Participant would have earned had the Participant continued to be an employee of the Corporation as of the payment date, subject to the satisfaction of the applicable Performance Targets and certification by the Committee of the attainment of such performance targets and the amount of the payment to the extent required by Paragraphs 31-32.

F. PERFORMANCE CRITERIA

28. *Section 162(m) Awards*. The Committee may, but is not required to, designate Awards to Covered Executives as subject to the requirements of Code Section 162(m), in which case the provisions of such Awards shall be intended to conform with all provisions of Code Section 162(m) to the extent necessary to allow the Corporation to claim a Federal income tax deduction for the Awards as "qualified performance based compensation." The Committee retains the sole discretion to grant Awards to Covered Executives and other Participants that do not so qualify and to determine the terms and conditions of such Awards, including any performance-based vesting conditions, that shall apply to such Awards.

29. *Establishment of Performance Targets*. The Committee may, in its sole discretion, grant an Award under the Plan conditional upon the satisfaction of objective pre-established Performance Targets based on specified Performance Criteria during a Performance Period. The Performance Period for Cash Performance Awards and Performance Shares shall be not less than three (3) full fiscal years of the Corporation, including the year in which an Award is made and may be shorter in the case of other Awards but not less than one full fiscal year. Any Performance Targets established by the Committee shall include one or more objective formulas or standards for determining the level or levels of achievement of the Performance Targets that must be achieved in order for payment to be made with respect to an Award (and any related Dividend Equivalents), and the amount of the Award (and any Dividend Equivalents) payable to a Participant if the Performance Targets are satisfied in whole or in part or exceeded. The Performance Targets may be fixed by the Committee for the Corporation as a whole or for a subsidiary, division, Affiliate, business segment, or business unit, depending on the Committee's judgment as to what is appropriate, and shall be set by the Committee not later than the earlier of the 90th day after the commencement of the period of services to which the Performance Period relates or by the time 25% of such period of services has elapsed, in either case, provided that the outcome of the Performance Targets is substantially uncertain at the time the Performance Targets are established. The Performance Targets with respect to a Performance Period need not be the same for all Participants. Performance measures and Performance Targets may differ from Participant to Participant and from Award to Award.

30. *Performance Criteria*. Performance Targets shall be based on at least one or more of the Performance Criteria listed on Exhibit A hereto that the Committee deems appropriate, as they apply to the Corporation as a whole or to a subsidiary, a division, Affiliate, business segment, or business unit thereof.

31. *Approval and Certification*. Promptly after the close of a Performance Period, the Committee shall certify in writing the extent to which the Performance Targets have been met and shall determine on that basis the amount payable to Participant in respect of an Award. The Committee shall have the discretion to approve proportional or adjusted Awards under the Plan to

address situations where a Participant who is a Covered Executive joined the Corporation or an Affiliate, or transferred or is promoted within the Corporation or an Affiliate, during a Performance Period, but only to the extent that such discretion would not cause an Award intended to qualify as "qualified performance based compensation" to fail to so qualify. The Committee may, in its sole discretion, elect to make a payment under an Award to a Disabled Participant or to the Participant's estate (or to legatees or distributees, as the case may be, of the Participant's estate) in the case of death or upon a Change in Control, without regard to actual attainment of the Performance Targets (or the Committee's certification thereof), but only to the extent that such discretion would not cause another Award intended to qualify as "qualified performance based compensation" to fail to so qualify.

32. *Committee Discretion*.

(a) *Negative Discretion.* The Committee shall have the discretion to decrease the amount payable under any Award made under the Plan upon attainment of a Performance Target. The Committee shall also have the discretion to decrease or increase the amount payable upon attainment of the Performance Target to take into account the effect on an Award of any unusual, non-recurring circumstance, extraordinary items, change in accounting methods, or other factors to the extent provided in Exhibit A hereto, but only to the extent that such discretion would not cause an Award intended to qualify as "qualified performance based compensation" to fail to so qualify.

(b) *Certification*. Except as provided in Paragraph 32(a), (i) the Committee shall make a payment in respect of an Award intended to qualify as "qualified performance-based compensation" under Section 162(m) only if the Committee shall have certified in writing that the applicable performance targets have been satisfied, and (ii) the Committee shall not increase the amount payable to a Covered Executive under any Award intended to meet the requirements of Section 162(m) of the Code. The exercise of discretion by the Committee to decrease any Award payable to a Participant shall not result in an increase in the amount payable to a Covered Executive under any Award intended to meet the requirements of Section 162(m) of the Code.

(c) *Awards to Non-Covered Executives*. In its discretion, the Committee may, either at the time it grants an Award or at any time thereafter, provide for the positive adjustment of the formula applicable to an Award granted to a Participant who is not a Covered Executive or an Award to a Covered Executive that is not intended to qualify as "qualified performance based compensation" to reflect such Participant's individual performance in his or her position with the Corporation or an Affiliate or such other factors as the Committee may determine.

G. NON-EMPLOYEE DIRECTORS

33. *Non-Employee Director Compensation*. The Board shall determine from time to time the amount and form of compensation to be paid to Non-Employee Directors for serving as a member of the Board. The percentage of Non-Employee Directors' compensation to be paid in cash, Directors' Shares, or in other forms of compensation shall be determined by the Board from time to time. The number of shares of Common Stock that may be granted to any Non-Employee Director each year shall not exceed 10,000 shares of Common Stock. In addition to the annual compensation of Non-Employee Directors, the Board may also authorize one-time grants of Directors' Shares to Non-Employee Directors, or to an individual upon joining the Board, on such terms as it shall deem appropriate.

34. *Directors' Shares*. Except as otherwise provided in Paragraph 35, each Director who is a Non-Employee Director on November 15 of each calendar year shall be issued on November 15 of that year (or the first trading day thereafter if November 15 is not a trading day on the principal exchange on which the Common Stock then regularly trades) that number of Directors' Shares as shall have been determined by the Board for that year. The number of shares of Common Stock to be awarded to a Non-Employee Director shall be determined by dividing the dollar amount of annual compensation to be paid in shares by the Fair Market Value of the Common Stock on the date of grant. Any individual who serves as a Non-Employee Director during a calendar year but ceases to be a Director prior to November 15 of such year shall be issued a pro rata number of Directors' Shares based on the number of full and partial months that the individual served as a Director for that year and the amount of compensation to be paid in Directors Shares as determined by the Board for that year, with such shares to be issued as of, and the number of such shares to be determined on the basis of the Fair Market Value of the Common Stock on, the date he or she ceases to be a Director (or if such date is not a trading date, the next such trading day on the principal exchange on which the Common Stock then regularly trades); provided that the Board may determine that any Non-Employee Director removed for cause (as determined by the Board) at any time during any calendar year shall forfeit the right to receive Directors' Shares for that year.

35. *Deferred Stock Units.* A Non-Employee Director may elect to defer receipt of his or her Directors' Shares in accordance with such procedures as may from time to time be prescribed by the Committee. A deferral election shall be valid only if it is delivered prior to the first day of the calendar year in which the services giving rise to the Directors' Shares are to be performed (or such other date as the Committee may determine for the year in which an individual first becomes a Non-Employee Director). A Participant's deferral election shall become irrevocable as of the last date the deferral could be delivered or such earlier date as may be established by the Committee. A Non-Employee Director may revoke or change a deferral election at any time prior to the date the election becomes irrevocable, subject to such restrictions as the Committee may establish from time to time. Any such revocation or change shall be in a form and manner determined by the Committee. A Non-Employee Director's deferral election shall remain in effect and will apply to Directors' Shares in subsequent years unless and until the Director timely revokes the deferral election in accordance with such procedures as the Committee shall determine. The Committee may adopt procedures for the extension of any deferral period. If a valid deferral election is filed by a Non-Employee Director, Deferred Stock Units shall be credited as a bookkeeping entry in the name of the Non-Employee Director to an account maintained by the Corporation on the basis of one Deferred Stock Unit for each Directors' Share deferred. No shares of Common Stock shall be issued to the Non-Employee Director in respect of Deferred Stock Units at the time such shares would be issued absent such deferral. Shares of Common Stock shall be issuable to the Non-Employee Director in a lump sum upon the termination of services as a Non-Employee Director (but only if such termination constitutes a separation from service within the meaning of Code Section 409A, if applicable) or, if earlier, a specified date elected by the Non-Employee Director at the time of the deferral election. Dividend Equivalents shall be credited on Deferred Stock Units and distributed at the same time that shares of Common Stock are delivered to a Non-Employee Director in settlement of the Deferred Stock Units.

36. *Delivery of Shares*. Shares of Common Stock shall be issued to a Non-Employee Director at the time Directors' Shares are paid or Deferred Stock Units are settled by a issuing a stock certificate, or making an appropriate entry in the Corporation's shareholder records, in the name of the Non-Employee Director, evidencing such share payment. Each stock certificate will bear an appropriate legend with respect to any restrictions on transferability, if applicable. A Non-Employee Director shall not have any rights of a stockholder with respect to Directors' Shares or Deferred Stock Units until such shares of Common Stock are issued and then only from the date of issuance of such shares. No adjustments shall be made for dividends, distributions or other rights for which the record date is prior to the date of issuance of the shares. No fractional shares shall be issued as Directors' Shares. The Committee may round the number of shares of Common Stock to be delivered to the nearest whole share.

H. CHANGE IN CONTROL

37. *Change in Control.* Each Participant who is an employee of the Corporation or an Affiliate, upon acceptance of an Award under the Plan, and as a condition to such Award, shall be deemed to have agreed that, in the event any "Person" (as defined below) begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a "Change in Control" of the Corporation (as defined below), such Participant will not voluntarily terminate his or her employment with the Corporation or with an Affiliate of the Corporation, as the case may be, and, unless terminated by the Corporation or such Affiliate, will continue to render services to the Corporation or such Affiliate until such Person has abandoned, terminated or succeeded in such efforts to effect a Change in Control.

(a) In the event a Change in Control occurs and, within eighteen (18) months following the date of the Change in Control, (i) a Participant experiences an involuntary termination of employment (other than for Cause, death or Disability) such that he or she is no longer in the employ of the Corporation or an Affiliate, or (ii) an event or condition that constitutes "Good Reason" occurs and the Participant subsequently resigns for Good Reason within the time limits set forth in Paragraph 37(h)(iv) below pursuant to a resignation that meets the requirements set forth in Paragraph 37(h)(iv) below:

(i) all Options and SSARs to purchase or acquire shares of Common Stock of the Corporation shall immediately vest on the date of such termination of employment and become exercisable in accordance with the terms of the appropriate Option or SSAR Award Agreement;

(ii) all outstanding Restrictions, including any Performance Targets, with respect to any Restricted Stock or Restricted Stock Unit Award or any other Award shall immediately vest or expire on the date of such termination of employment and be deemed to have been satisfied or earned "at target" as if the Performance Targets (if any) have been achieved, and such Award shall become immediately due and payable on the date of such termination of employment; and

(iii) all Cash Performance Awards and Performance Share Awards outstanding shall be deemed to have been earned at "target" as if the Performance Targets have been achieved, and such Awards shall immediately vest and become immediately due and payable on the date of such termination of employment.

(b) In the event a Change in Control occurs and a Participant's outstanding Awards are (i) impaired in value or rights, as determined solely in the discretionary judgment of the "Continuing Directors" (as defined below), (ii) not assumed by a successor corporation or an affiliate therof or, (iii) not replaced with an award or grant that, solely in the discretionary judgment of the Continuing Directors, preserves the existing value of the outstanding Awards at the time of the Change of Control:

(i) all Options and SSARs to purchase or acquire shares of Common Stock of the Corporation shall immediately vest on the date of such Change in Control and become exercisable in accordance with the terms of the appropriate Option or SSAR Award Agreement;

(ii) all outstanding Restrictions, including any Performance Targets, with respect to any Options, SSARs, Restricted Stock or Restricted Stock Unit Awards shall immediately vest or expire on the date of such Change in Control and be deemed to have been satisfied or earned "at target" as if the Performance Targets (if any) have been achieved, and such Award shall become immediately due and payable on the date of such Change in Control;

(iii) Cash Performance Awards and Performance Share Awards outstanding shall immediately vest and become immediately due and payable on the date of such Change in Control as follows:

(A) the Performance Period of all Cash Performance Awards and Performance Share Awards outstanding shall terminate on the last day of the month prior to the month in which the Change in Control occurs;

(B) the Participant shall be entitled to a cash or stock payment the amount of which shall be determined in accordance with the terms and conditions of the Plan and the appropriate Cash Performance Award Agreement and Performance Share Award Agreement, which amount shall be multiplied by a fraction, the numerator of which is the number of months in the Performance Period that has passed prior to the Change in Control (as determined in accordance with clause (iii)(A) above) and the denominator of which is the total number of months in the original Performance Period; and

(C) the Continuing Directors shall promptly determine whether the Participant is entitled to any Cash Performance Award or Performance Share Award, and any such Award payable shall be paid to the Participant promptly but in no event more than five (5) days after a Change in Control;

(c) The Continuing Directors shall have the sole and complete authority and discretion to decide any questions concerning the application, interpretation or scope of any of the terms and conditions of any Award or participation under the Plan in connection with a Change in Control, and their decisions shall be binding and conclusive upon all interested parties; and

(d) Other than as set forth above, the terms and conditions of all Awards shall remain unchanged.

(e) Notwithstanding the provisions of this Paragraph 37, the Committee may, in its discretion, take such other action with respect to Awards in connection with a Change in Control as it shall determine to be appropriate.

(f) If a change in the ownership or effective control of the Corporation or in the ownership of a substantial portion of the assets of the Corporation occurs (as defined in Section 409A of the Code), Deferred Stock Units shall be settled on the date of such Change in Control by the delivery of shares of Common Stock.

(g) A "Change in Control" shall be deemed to have taken place upon the occurrence of any of the following events (capitalized terms are defined below):

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities beneficially owned by such Person any securities acquired directly from the Corporation or its Affiliates) representing 20% or more of either the then outstanding shares of Common Stock of the Corporation or the combined voting power of the Corporation's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on January 1, 2012, constituted the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation) whose appointment or election by the Board or nomination for election by the Corporation's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors in office at the time of such approval or recommendation who either were directors on January 1, 2012 or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Corporation or any direct or indirect subsidiary of the Corporation with any other corporation, other than (A) any such merger or consolidation after the consummation of which the voting securities of the Corporation outstanding immediately prior to such merger or consolidation continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 50% of the combined voting power of the voting securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) any such merger or consolidation effected to implement a recapitalization of the Corporation (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Corporation or its Affiliates) representing 20% or more of either the then outstanding shares of Common Stock of the Corporation or the combined voting power of the Corporation's then outstanding securities; or

(iv) the shareholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated an agreement for the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than a sale or disposition by the Corporation of all or substantially all of the Corporation's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such transaction or series of transactions.

(v) Notwithstanding the foregoing, with respect to an Award that is determined to be deferred compensation subject to the requirements of Section 409A of the Code, the Corporation will not make a payment upon the happening of a Change in Control unless the Corporation is deemed to have undergone a change in the ownership or effective control of the Corporation or in the ownership of a substantial portion of the assets of the Corporation (as such terms are defined in Section 409A of the Code).

(h) For purposes of this Paragraph 37, the following terms shall have the meanings indicated:

(i) “Affiliate” shall have the meaning set forth in Rule 12b-2 under Section 12 of the Exchange Act.

(ii) “Beneficial Owner” shall have the meaning set forth in Rule 13d-3 under the Exchange Act, except that a Person shall not be deemed to be the Beneficial Owner of any securities that are properly filed on a Form 13-F.

(iii) “Continuing Directors” shall have the meaning ascribed to it in Article Fourteenth of the Corporation's Certificate of Incorporation.

(iv) “Good Reason” shall mean “Good Reason” due to any one or more of the following events that occur following a Change in Control, unless the Participant has consented to such action in writing: (a) a material diminution of the responsibilities, position and/or title of the Participant compared with the responsibilities, position and title, respectively, of the Participant prior to the Change in Control; (b) a relocation of the Participant's principal business location to an area outside a 25 mile radius of its location preceding the Change in Control and that requires that the Participant commute an additional distance of at least 20 miles more than such Participant was required to commute immediately prior to the Change in Control; or (c) a material reduction in the Participant's base salary or bonus opportunities; provided, however, that (i) Good Reason shall not be deemed to exist unless written notice of termination on account thereof is given by the Participant to the Corporation no later than sixty (60) days after the time at which the event or condition purportedly giving rise to Good Reason first occurs or arises; and (ii) if there exists (without regard to this clause (ii)) an event or condition that constitutes Good Reason, the Corporation shall have thirty (30) days from the date notice of such a termination is given to cure such event or condition and, if the Corporation does so, such event or condition shall not constitute Good Reason hereunder. The Participant's right to resign from employment for a Good Reason event or condition shall be waived if the Participant fails to resign within sixty (60) days following the last day of the Corporation's cure period. Notwithstanding the foregoing, if a Participant and the Corporation (or any of its Affiliates) have entered into an employment agreement or other similar agreement that specifically defines “Good

Reason," then with respect to such Participant, "Good Reason" shall have the meaning defined in that employment agreement or other agreement.

(v) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Corporation or any of its Affiliates, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities or (iv) a corporation owned, directly or indirectly, by the shareholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation.

I. GENERAL PROVISIONS

38. *Legal Compliance*.

(a) *Section 16(b) of the Exchange Act*. All elections and transactions under this Plan by persons subject to Section 16 of the Exchange Act involving shares of Common Stock are intended to comply with any applicable exemptive condition under Rule 16b-3 and the Committee shall interpret and administer these guidelines in a manner consistent therewith. The Committee may establish and adopt electronic or other administrative guidelines, designed to facilitate compliance with Section 16(b) of the Exchange Act, as it may deem necessary or proper for the administration and operation of this Plan and the transaction of business hereunder. If an officer or Director (as defined in Rule 16a-1) is designated by the Committee to receive an Award, any such Award shall be deemed approved by the Committee and shall be deemed an exempt purchase under Rule 16b-3. Any provisions in this Plan or an Award Agreement inconsistent with Rule 16b-3 shall be inoperative and shall not affect the validity of this Paragraph 38(a). Notwithstanding anything herein to the contrary, if the grant of any Award or the payment of a share of Common Stock with respect to an Award or any election with regard thereto results or would result in a violation of Section 16(b) of the Exchange Act, any such grant, payment or election shall be deemed to be amended to comply therewith, and to the extent such grant, payment or election cannot be amended to comply therewith, such grant, payment or election shall be immediately canceled and the Participant shall not have any rights thereto.

(b) *Section 162(m).* If it is the intent of the Corporation that any compensation income realized in connection with any grant or Award under the Plan constitutes "qualified performance-based compensation" within the meaning of Section 162(m) of the Code, the Corporation does not intend to be subject to the deduction limitations of Section 162(m) of the Code. Accordingly, if any provision of the Plan or any such Award Agreement under the Plan does not comply with the requirements of Section 162(m) of the Code, such provision shall be construed or deemed amended to the extent necessary to conform to such requirements, or to eliminate such deductibility limitation, and the Participant shall be deemed to have consented to such construction or amendment.

(c) *Securities Laws*. The grant of Awards and the issuance of shares of Common Stock pursuant to any Award shall be subject to compliance with all applicable requirements of federal, state, and foreign law with respect to such securities and the requirements of any stock exchange or market system upon which the Common Stock may then be listed. In addition, no Award may be exercised or shares issued pursuant to an Award unless (i) a registration statement under the Securities Act shall at the time of such exercise or issuance be in effect with respect to the shares issuable pursuant to the Award or (ii) in the opinion of legal counsel to the Corporation, the shares issuable pursuant to the Award may be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The inability of the Corporation to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Corporation's legal counsel to be necessary to the lawful issuance and sale of any shares hereunder shall relieve the Corporation of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained. As a condition to issuance of any Common Stock, the Corporation may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Corporation.

(d) *Registration*. The Corporation will stamp stock certificates delivered to the shareholder with an appropriate legend if the shares of Common Stock are not registered under the Securities Act, or are otherwise not free to be transferred by the Participant and will issue appropriate stop-order instructions to the transfer agent for the Common Stock, if and to the extent such stamping or instructions may then be required by the Securities Act or by any rule or regulation of the Securities and Exchange Commission issued pursuant to the Securities Act.

(e) *Blackout Period*. Options and SSARs may not be exercised during any period prohibited by the Corporation's stock trading policies or applicable securities laws. A Participant may not sell any shares acquired under the Plan during any period prohibited by the Corporation's stock trading policies.

39. *Withholding Taxes.* The Corporation and its Affiliates shall make arrangements for the collection of any minimum Federal, State, foreign, or local taxes of any kind required to be withheld with respect to any transactions effected under the Plan. The obligations of the Corporation under the Plan shall be conditional on satisfaction of such withholding obligations. The Corporation shall have no obligation to deliver shares of Common Stock, to release shares of Common Stock from an escrow established pursuant to an Award Agreement, or to make any payment in cash under the Plan until the Corporation's or its Affiliate's tax withholding obligations have been satisfied by the Participant. The Corporation, to the extent permitted by law, shall have the right to deduct from any payment of any kind otherwise due to or with respect to a Participant through payroll withholding, cash payment or otherwise, including by means of a cashless exercise of an Option, the minimum amount of such taxes as may be determined by the Corporation to be required to be withheld by law. The Corporation may, in its discretion require that all or a portion of such shares be sold to satisfy the Corporation's withholding obligations under the Plan. The Corporation shall have the right, but not the obligation, to deduct from the shares of Common Stock issuable to a Participant upon the exercise or settlement of an Award, or to accept from the Participant the tender of, a number of whole shares of Common Stock having a Fair Market Value, as determined by the Corporation, equal to all or any part of the tax withholding obligations of the Corporation or any Affiliate.

40. *Effect of Recapitalization or Reorganization.* The obligations of the Corporation with respect to any grant or Award under the Plan shall be binding upon the Corporation, its successors or assigns, including any successor or resulting corporation either in liquidation or merger of the Corporation into another corporation owning all the outstanding voting stock of the Corporation or in any other transaction whether by merger, consolidation or otherwise under which such succeeding or resulting corporation acquires all or substantially all the assets of the Corporation and assumes all or substantially all its obligations, unless Awards are terminated in accordance with Paragraph 37.

41. *Employment Rights and Obligations*. Neither the making of any grant or Award under the Plan, nor the provisions related to a Change in Control of the Corporation or a Person seeking to effect a change in control of the Corporation, shall alter or otherwise affect the rights of the Corporation to change any and all the terms and conditions of employment of any Participant including, but not limited to, the right to terminate such Participant's employment. Neither this Plan nor the grant of any Award hereunder shall give any Participant any right with respect to continuance of employment by the Corporation or any Affiliate, nor shall they be a limitation in any way on the right of the Corporation or any Affiliate by which an employee is employed to terminate his or her employment at any time. The provisions of Awards need not be the same with respect to each Participant, and such Awards to individual Participants need not be the same in subsequent years.

42. *Rights as a Stockholder*. A Participant shall have no rights as a stockholder with respect to any shares of Common Stock covered by an Award until the date of the issuance of such shares (as evidenced by the appropriate entry on the books of the Corporation or of a duly authorized transfer agent of the Corporation). No adjustment shall be made for dividends, distributions or other rights for which the record date is prior to the date such shares are issued, except as provided with respect to Dividend Equivalents or as provided in the Plan or an Award Agreement.

43. *Non-compete*.

(a) *Non-Competition*. The enhanced benefits of any Normal Retirement or Early Retirement provided to a Participant, unless such benefits are waived in writing by the Participant, shall be subject to the provisions of this Paragraph 43. Any Participant who is the beneficiary of any such Normal Retirement or Early Retirement shall be deemed to have expressly agreed not to engage, directly or indirectly in any capacity, in any business in which the Corporation or any Affiliate at which such Participant was employed at any time in the three (3) years immediately prior to termination of employment was engaged, as the case may be, in the geographic area in which the Corporation or such Affiliate actively carried on business at the end of the Participant's employment there, for the period with respect to which such Normal Retirement or Early Retirement affords the Participant enhanced benefits, which period shall be, (a) with respect to Options or SSARs, the additional period allowed the Participant for the vesting and exercise of Options or SSARs outstanding at termination of employment, (b) with respect to Restricted Stock or Restricted Stock Unit Awards, the period remaining after the Participant's termination of employment until the end of the original Restricted Period for such Award, and (c) with respect to Cash Performance Awards and Performance Shares Awards granted under the Plan, the period until the payment date following the end of the last applicable Performance Period.

(b) *Breach.* In the event that a Participant shall fail to comply with the provisions of this Paragraph 43, the Normal Retirement or Early Retirement shall be automatically rescinded and the Participant shall forfeit the enhanced benefits referred to above and shall return to the Corporation the economic value theretofore realized by reason of such benefits as determined by the Committee. If the provisions of this Paragraph 43 or the corresponding provisions of an Award shall be unenforceable as to any Participant, the Committee may rescind the benefits of any such Early Retirement with respect to such Participant.

(c) *Other Termination.* The Committee may, in its discretion, adopt such other non-competition restrictions applicable to Awards as it deems appropriate from time to time.

(d) *Revision.* If any provision of this Paragraph 43 or the corresponding provisions of an Award is determined by a court to be unenforceable because of its scope in terms of geographic area or duration in time or otherwise, the Corporation and the Participant agree that the court making such determination is specifically authorized to reduce the duration and/or geographical area and/or other scope of such provision and, in its reduced form, such provision shall then be enforceable; and in every case the remainder of this Paragraph 43, or the corresponding provisions of an Award, shall not be affected thereby and shall remain valid and enforceable, as if such affected provision were not contained herein or therein.

44. *Claw-back*. Awards shall be subject to such clawback requirements and policies as may be required by applicable laws or Dover policies as in effect from time to time.

45. *Amendment*. Except as expressly provided in the next sentence and Paragraph 46, the Board may amend the Plan in any manner it deems necessary or appropriate (including any of the terms, conditions or definitions contained herein), or terminate the Plan at any time; provided, however, that any such termination will not affect the validity of any Awards previously made under the Plan. Without the approval of the Corporation's shareholders, the Board cannot: (a) increase the maximum number of shares covered by the Plan or change the class of employees eligible to receive any Awards; (b) extend beyond 120 months from the date of the grant the period within which an Option or SSAR may be exercised; (c) make any other amendment to the Plan that would constitute a modification, revision or amendment requiring shareholder approval pursuant to any applicable law or regulation or rule of the principal exchange on which the Corporation's shares are traded, or (d) change the class of persons eligible to receive ISOs.

46. *No Repricing Without Shareholder Approval*. Without the approval of the Corporation's shareholders, the Board cannot approve either (i) the cancellation of outstanding Options or SSARs in exchange for cash or the grant in substitution therefor of new Awards having a lower exercise or base price or (ii) the amendment of outstanding Options or SSARs to reduce the exercise price or base price thereof, except as provided in Paragraph 37 with respect to a Change in Control. This limitation shall not be construed to apply to "issuing or assuming an Option in a transaction to which Section 424(a) applies," within the meaning of Section 424 of the Code.

47. *Unfunded Plan*. This Plan is intended to constitute an "unfunded" plan for incentive and deferred compensation. With respect to any payments as to which a Participant has a fixed and vested interest but that are not yet made to a Participant by the Corporation, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Corporation.

48. *Other Plans*. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

49. *Other Benefits*. No Award payment under this Plan shall be deemed compensation for purposes of computing benefits under any retirement plan of the Corporation or its Affiliates nor affect any benefits under any other benefit plan now or subsequently in effect under which the availability or amount of benefits is related to the level of compensation.

50. *Death/Disability*. Subject to local laws and procedures, the Committee may request appropriate written documentation from a trustee or other legal representative, court, or similar legal body, regarding any benefit under the Plan to which the Participant is entitled in the event of such Participant's death before such representative shall be entitled to act on behalf of the Participant and before a beneficiary receives any or all of such benefit. The Committee may also require any person seeking payment of benefits upon a Participant's Disability to furnish proof of such Disability.

51. *Successors and Assigns*. This Plan shall be binding on all successors and permitted assigns of a Participant, including, without limitation, the estate of such Participant and the executor, administrator or trustee of such estate.

52. *Headings and Captions.* The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan.

53. *Section 409A*.

(a) *General*. To the extent that the Committee determines that any Award granted under the Plan is, or may reasonably be, subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions necessary to avoid the adverse consequences described in Section 409A(a)(1) of the Code (or any similar provision). To the extent applicable and permitted by law, the Plan and Award Agreements shall be interpreted in accordance with Section 409A and other interpretive guidance issued thereunder, including without limitation any other guidance that may be issued or amended after the date of grant of any Award hereunder. Notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any Award is, or may reasonably be, subject to Section 409A and related Department of Treasury guidance (including such Department of Treasury guidance issued from time to time), the Committee may, without the Participant's consent, adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (A) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (B) comply with the requirements of Section 409A and related Department of Treasury guidance. Where applicable, the requirement that Awards constituting deferred compensation under Section 409A that are payable upon termination of a Participant's employment or services as a Director not be paid prior to the Participant's “separation from service” within the meaning of Section 409A are incorporated herein.

(b) *Specified Employees.* In addition, and except as otherwise set forth in the applicable Award Agreement, if the Corporation determines that any Award granted under this Plan constitutes, or may reasonably constitute, “deferred compensation” under Section 409A and the Participant is a “specified employee” of the Corporation at the relevant date, as such term is defined in Section 409A(a)(2)(B)(i), then any payment or benefit resulting from such Award will be delayed until the first day of the seventh month following the Participant's “separation from service” with the Corporation or its Affiliates within the meaning of Section 409A (or following the date of Participant's death if earlier), with all payments or benefits due thereafter occurring in accordance with the original schedule.

(c) *No Liability*. Notwithstanding anything to the contrary contained herein, neither the Corporation nor any of its Affiliates shall be responsible for, or required to reimburse or otherwise make any Participant whole for, any tax or penalty imposed on, or losses incurred by, any Participant that arises in connection with the potential or actual application of Section 409A to any Award granted hereunder.

54. *Governing Law*. The Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of the State of Illinois (regardless of the law that might otherwise govern under applicable Illinois principles of conflict of laws).

55. *Effective Date and Termination Date of Plan.* This Plan was adopted by the Board on February 29, 2012 and became effective on May 3, 2012, the date it was approved by the shareholders of the Corporation in accordance with the requirements of the Corporation's Certificate of Incorporation and the laws of the State of Delaware. The Plan will terminate on May 3, 2022. No Award shall be granted pursuant to this Plan on or after May 3, 2022 (the tenth anniversary of the date this Plan was approved by the shareholders of the Corporation), but Awards granted prior to such tenth anniversary may extend beyond that date.

Exhibit A to the Dover 2012 Corporation Equity and Cash Incentive Plan

Performance Criteria

Any Performance Targets established for purposes of conditioning the grant of an Award based on performance or the vesting of performance-based Awards, and that are intended to comply with Section 162(m) of the Code, shall be based on one or more of the following Performance Criteria either individually, alternatively, or in any combination applied either to the Corporation, as a whole or to a subsidiary, a division, Affiliate, business segment, or any business unit thereof, individually, alternatively, or in any combination, and measured either annually or cumulatively over a period of years, or on an absolute basis or relative to previous year's results or to a designated comparison group, in either case as specified by the Committee in the Award: (i) the attainment of certain target levels of, or a specified percentage increase in, revenues, income before income taxes and extraordinary items, income or net income, earnings before income tax, earnings before interest, taxes, depreciation and amortization, or a combination of any or all of the foregoing; (ii) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax profits including, without limitation, that attributable to continuing and/or other operations; (iii) the attainment of certain target levels of, or a specified increase in, operational cash flow; (iv) the achievement of a certain level of, reduction of, or other specified objectives with regard to limiting the level of increase in, all or a portion of the Corporation's or an Affiliate's bank debt or other long-term or short-term public or private debt or other similar financial obligations of the Corporation or Affiliate, which may be calculated net of such cash balances and/or other offsets and adjustments as may be established by the Committee; (v) the attainment of a specified percentage increase in earnings per share or earnings per share from continuing operations; (vi) the attainment of certain target levels of, or a specified increase in, return on capital employed or return on invested capital or operating revenue; (vii) the attainment of certain target levels of, or a percentage increase in, after-tax or pre-tax return on stockholders' equity; (viii) the attainment of certain target levels of, or a specified increase in, economic value added targets based on a cash flow return on investment formula; (ix) the attainment of certain target levels in the fair market value of the shares of the Corporation's Common Stock; (x) market segment share; (xi) product release schedules; (xii) new product innovation; (xiii) product or other cost reductions; (xiv) brand recognition or acceptance; (xv) product ship targets; (xvi) customer satisfaction; (xvii) total shareholder return; (xviii) return on assets or net assets; (xix) assets, operating margin or profit margin; and (xx) the growth in the value of an investment in the Corporation's Common Stock assuming the reinvestment of dividends.

To the extent permitted under Code Section 162(m), but only to the extent permitted under Code Section 162(m) (including, without limitation, compliance with any requirements for stockholder approval), the Committee may provide that, in measuring achievement of Performance Targets, adjustments shall be made for the following:

(i) to exclude restructuring and/or other nonrecurring charges;

(ii) to exclude exchange rate effects, as applicable, for non-US. dollar denominated net sales and operating earnings;

(iii) to exclude the effects of changes to generally accepted accounting principles required by the Financial Accounting Standards Board;

(iv) to exclude the effects of any statutory adjustments to corporate tax rates;

(v) to exclude the effects of any “extraordinary items” as determined under generally accepted accounting principles or any acquisition or divestiture;

(vi) to exclude any other unusual, non-recurring gain or loss or other extraordinary item;

(vii) to respond to, or in anticipation of, any unusual or extraordinary corporate item, transaction, event or development;

(viii) to respond to, or in anticipation of, changes in applicable laws, regulations, accounting principles, or business conditions;

(ix) to exclude the dilutive effects of acquisitions or joint ventures;

(x) to assume that any business divested by the Corporation achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture;

(xi) to exclude the effect of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common shareholders other than regular cash dividends;

(xii) to reflect a corporate transaction, such as a merger, consolidation, separation (including a spinoff or other distribution of stock or property by a corporation), or reorganization (whether or not such reorganization comes within the definition of such term in Section 368 of the Code); and

(xiii) to reflect any partial or complete corporate liquidation.

Exhibit 31.1

Certification

I, Brad M. Cerepak, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dover Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 18, 2012

/s/ Brad M. Cerepak

Brad M. Cerepak
Senior Vice President & Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.2

Certification

I, Robert A. Livingston, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Dover Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 18, 2012

/s/ Robert A. Livingston

Robert A. Livingston
President and Chief Executive Officer

Exhibit 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
with Respect to the Quarterly Report on Form 10-Q
for the Period ended June 30, 2012
of Dover Corporation

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Dover Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

1. The Company's Quarterly Report on Form 10-Q for the period ended June 30, 2012 (the "**Form 10-Q"**) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

2. Information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: July 18, 2012

/s/ Robert A. Livingston
Robert A. Livingston
President and Chief Executive Officer

Dated: July 18, 2012

/s/ Brad M. Cerepak
Brad M. Cerepak
Senior Vice President & Chief Financial Officer
(Principal Financial Officer)

The certification set forth above is being furnished as an exhibit solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and is not being filed as part of the Form 10-Q or as a separate disclosure document of the Company or the certifying officers.