

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the fiscal year ended December 31, 1998

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 No. 1-4018

DOVER CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of Incorporation or organization)

53-0257888
(I.R.S. Employer Identification No.)

280 Park Avenue, New York, NY
(Address of principal executive offices)

10017
(Zip Code)

Registrant's telephone number, including area code
(212) 922-1640

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, par value \$1.	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Title of class

None

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 ninety days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (ss. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. |_|

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of the close of business March 1, 1999 was \$6,858,775,697. Registrant's closing price as reported on the New York Stock Exchange-Composite Transactions for March 1, 1999 was \$34.1250 per share.

The number of outstanding shares of the Registrant's common stock as of March 1, 1999 was 215,894,434.

DOCUMENTS INCORPORATED BY REFERENCE

- Parts I and II - Certain portions of the Annual Report to Stockholders for Fiscal Year Ended December 31, 1998 (the "1998 Annual Report").
- Part III - Certain portions of the Proxy Statement for Annual Meeting of Stockholders to be held on April 27, 1999 (the "1999 Proxy Statement").

Special Notes Regarding Forward Looking Statements

This Annual Report on Form 10-, cash flow and operating improvements and may be indicated by words or phrases such as "anticipates," "supports," "plans," "projects," "expects," "should," "hope," "forecast," "Dover believes," "management is of the opinion" and similar words or phrases. Such statements may also be made by management orally. Forward-looking statements are subject to inherent uncertainties and risks, including among others: increasing price and product/service competition by foreign and domestic competitors, including new entrants; technological developments and changes; the ability to continue to introduce competitive new products and services on a timely, cost effective basis; the mix of products/services; the achievement of lower costs and expenses; domestic and foreign governmental and public policy changes including environmental regulations; protection and validity of patent and other intellectual property rights; the continued success of the Company's acquisition program; the cyclical nature of the Company's business; and the outcome of pending and future litigation and governmental proceedings. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. In light of these risks and uncertainties, actual events and results may vary significantly from those included in or contemplated or implied by such statements. Readers are cautioned not to place undue reliance on such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. BUSINESS

General

Dover Corporation ("Dover" or the "Company"), originally incorporated in 1947 in the State of Delaware, is a diversified industrial manufacturing corporation encompassing over 45 operating companies which manufacture a broad range of specialized industrial products and sophisticated manufacturing equipment.

The Company's businesses are divided into four business segments. Dover Diversified builds assembly and production machines, heat transfer equipment, food refrigeration and display cases, and specialized compressors, as well as sophisticated products for use in the defense, aerospace and other industries. Dover Industries makes products for use in the waste handling, bulk transport, automotive service, commercial food service and machine tool industries. Dover Resources manufactures products primarily for the automotive, fluid handling, petroleum and chemical industries. Dover Technologies builds sophisticated automated assembly and testing equipment for the electronics industry, industrial printers for coding and marking and, specialized electronic components. Dover Elevator, which was the Company's fifth business segment for all of 1998, was sold to Thyssen Industrie AG on January 5, 1999. Dover Elevator manufactures, installs and services elevators primarily in North America and is accounted for as a discontinued operation in the Company's Consolidated Financial Statements.

The Company emphasizes growth and strong internal cash flow. It has a long-standing and successful acquisition program pursuant to which, from January 1, 1994 through December 31, 1998, the Company made 57 acquisitions at a total acquisition cost of \$1,608,000,000. For more detail regarding acquisitions over the past several years, see page 4 of the 1998 Annual Report as well as Note 2 to the Consolidated Financial Statements on pages 27-28 of the 1998 Annual Report, which are hereby incorporated by reference. These acquisitions have had a substantial impact on the Company's increase in sales and earnings since 1994. The Company's acquisition program traditionally focused on acquiring new or stand-alone businesses. However, since 1994, increased emphasis has been placed on acquiring businesses that can be added on to existing operations. In 1998, the Company completed 4 stand-alone and 10 add-on acquisitions at a total cost of about \$556 million. The Company aims to be in businesses marked by growth, innovation and higher than average profit margins. It seeks to have each of its businesses be a leader in its market as measured by market share, innovation, profitability and return on assets.

The Company practices a highly decentralized management style. The presidents of operating companies are very autonomous and have a high level of independent responsibility for their businesses and their performance. This is in keeping with the Company's operating philosophy that small independent operations are better able to serve customers by focusing closely on their products and reacting quickly to customer needs. The Company's executive management becomes involved only to guide and manage capital, assist in major acquisitions, evaluate, motivate and, if necessary, replace operating management, and provide selected other services.

Dover Diversified manufactures equipment and components for industrial, commercial, and defense applications. The largest operations are Belvac, acquired in 1993 (can-making machinery), Tranter (process industry heat exchangers), A-C Compressor, acquired in 1992, and expanded in 1997 with the acquisitions of Preco and Conmec (process industry compressors), and Hill Phoenix, acquired in 1993-94 (refrigeration cases and systems for supermarkets). Other Dover Diversified businesses produce such products as fluid film and self-lubricating bearings, metal and fabric expansion joints, submarine and aircraft hydraulic controls, remote manipulators and industrial cleaning equipment, engineered high-performance racing products and packaging machinery. In 1998, Dover Diversified companies completed four "add-ons": Ing Mas, Prox International, Sonic Industries and ThermoFluid International.

Dover Industries manufactures a diverse mix of equipment and components for use in the waste handling, bulk transport, automotive service, commercial food service, machine tool and other industries. The largest operations are Heil, acquired in 1993 (trailerized tanks and refuse collecting vehicles),

Rotary Lift (automotive lifts), Tipper Tie (clip closures for food packaging), Marathon (solid waste compaction, transporting and recycling equipment) and DovaTech (welding, cutting and laser equipment and supplies). Other Dover Industries operations produce auto collision measuring and repair systems, touchless car washing equipment, food service equipment, commercial refrigeration equipment and screw machines. In 1998, Dover Industries companies acquired three "add-on" businesses: Avtec Industries, Koolant Coolers and Thompson Carmichael Holdings, Inc.

Dover Resources manufactures components and equipment primarily for the automotive, fluid handling, petroleum and chemical industries. Its largest businesses are De-Sta-Co (compressor valves and workholding devices), OPW Fueling Components (gasoline nozzles and related service station equipment), Wilden Pump (air operated double diaphragm pumps, acquired in 1998) and Blackmer (rotary vein and progressive cavity pumps and gas compressors). In addition to the Wilden purchase, in 1998 Dover Resources acquired Quartzdyne, a manufacturer of high-pressure quartz transducers used in the petroleum industry. In late 1996, Dover Resources acquired Tulsa Winch, a producer of winches and speed reducers and in 1997 Hydro Systems (cleaning chemical dispensing equipment). Other Dover Resources companies produce liquid monitoring, filtration and control systems, oil and gas production equipment, and other valve, instrumentation and control systems and products. During 1998, two Dover Resources companies made two "add-on" acquisitions: Hydro Systems acquired Nova Controls and De-Sta-Co acquired CCMOP.

Dover Technologies sells assembly and testing equipment, screen printers, and soldering machines for the printed circuit board industry, as well as components for communications (including wireless) and military applications. The most significant business in this segment is Universal Instruments which, in 1998, suffered an operating profit decline of nearly 50% on about a 25% revenue decrease, substantially accounting for Technologies' lower performance. This overall decline reflects the periodic cyclical downturn in the electronics assembly and test equipment business. Universal Instruments is the world's largest producer of thru-hole printed circuit board assembly equipment, as well as a significant manufacturer of surface mount printed circuit board assembly equipment. For 1998, Dover Technologies' most profitable business was Imaje, a manufacturer of continuous inkjet marking systems, which was acquired in 1995. During 1996, Dover Technologies sold Measurement Systems, Inc., a manufacturer of manual positioning controls. In the third quarter of 1996, Quadrant, which is part of Dover Technologies, acquired KVG, a manufacturer of high frequency crystals and oscillators. In November 1996, Dover Technologies acquired Everett Charles Technologies, based in Pomona, California. Everett Charles is the leading producer of machines for the testing of circuitry on printed circuit boards before the boards are populated with components. In addition, it is the leader in design and manufacture of test fixtures for populated boards and the largest producer of spring-loaded test probes, which are used in both bare-board and populated-board testing. Late in 1997, Soltec acquired Vitronics, a U.S. based manufacturer of reflow soldering ovens. In 1998, Dover Technologies made one add-on acquisition, atg test services, GmbH.

Dover sells its products and services both directly and through various distributors, sales and commission agents and manufacturers representatives, in all cases consistent generally with the custom of the industry and market being served. For more information on these segments and their products, sales, markets served, earnings before tax and total assets for the six years ended December 31, 1998, see pages 10-22 and 33-34 of the 1998 Annual Report, which are hereby incorporated by reference.

Discontinued Operation

Dover Elevator, which was the Company's fifth business segment for all of 1998, was sold to Thyssen Industrie AG on January 5, 1999 for \$1.1 billion plus the sharing of certain expenses arising out of the transaction. The Company had earlier decided in May 1998 to spin-off Dover Elevator in a tax-free distribution to its stockholders to resolve management, operational and financial differences which resulted from operating dissimilar businesses within the same corporate group. The sale to Thyssen Industrie AG replaced the planned spin-off.

Dover Elevator's business, principally the installation and service of a product based on largely mature technology, was seen as fundamentally different from Dover's other businesses which focused on manufacturing a variety of products based on sophisticated and developing technology. Dover Elevator's business was conducted by service employees at thousands of construction sites and buildings

around the country, while Dover's other businesses are conducted largely by manufacturing employees centered in factories. As a result, Dover found that its experience in managing its other businesses, while transferable among those businesses, was not equally applicable to the elevator business, which consequently required a disproportionate amount of management attention.

At the time of sale, Dover Elevator was the nation's largest manufacturer and installer, and one of the largest servicers of elevators for low and mid-rise buildings. Dover Elevator also participated in the high-rise market for new equipment and service and sold and serviced elevators in foreign markets, principally in Canada and Asia. Somewhat less than half of Dover Elevator's sales and almost all of its profits in 1998 were generated by the service business. In 1997, Dover Elevator sold its German and U.K. operations for a pre-tax gain of \$32 million, based upon its analysis that they did not represent a sufficiently strong base for developing a meaningful position in Europe. For more information with respect to the operating results of Dover Elevator, see pages 2 and 28 of the 1998 Annual Report, which are hereby incorporated by reference.

Although there is no fixed schedule for doing so, Dover intends to invest the after-tax proceeds from the sale (approximately \$800 million) in stock repurchases and in acquisitions of existing companies that fit the Company's growth model.

Raw Materials

Dover's operating companies use a wide variety of raw materials, primarily metals and semi-processed or finished components, which are generally available from a number of sources. Temporary shortages may occur occasionally, but have not resulted in business interruptions or major problems, nor are any such problems anticipated. To date, fluctuations in the cost of raw materials have not had a material impact on operating profits.

Research and Development

Dover's operating companies are encouraged to develop new products as well as upgrade and improve existing products to satisfy customer needs, expand sales opportunities, improve product reliability and reduce production costs. During 1998, approximately \$131.3 million was spent on research and development, compared with \$106.7 million and \$93.7 million in 1997 and 1996, respectively, excluding spending by Dover Elevator.

Intellectual Property

Dover holds or is licensed to use a substantial number of U.S. patents covering a number of its product lines, and to a far lesser degree patents in certain foreign countries where it conducts business. Dover licenses some of its patents to other companies for which it collects royalties which are not significant. These patents have been obtained over a number of years and expire at various times. Although patents in the aggregate are important to Dover, the loss or expiration of any one patent or group of patents would not materially affect Dover or any of its segments. Where patents have expired, Dover believes that its commitment to leadership in continuous engineering improvements, manufacturing techniques, and other sales, service and marketing efforts are significant to maintaining its general market leadership position. From time to time Dover has had disputes regarding its alleged use of other patented technology, most recently regarding claims by the Lemelson Foundation relating to vision systems and bar-coding technology. Dover expects to resolve any such matters without any material impact on its businesses.

Many of the Company's products are sold under various registered and unregistered trademarks and tradenames owned or licensed by the Company. Among the most significant are: A-C Compressor, Belvac, Blackmer, De-Sta-Co, Davenport, DEK, Dover, Duncan, Everett Charles, Groen, Heil, Imaje, Marathon, Midland, Norris, OPW, Quadrant, Rotary Lift, Sargent, SWEP, Tipper Tie, Tranter, Universal, Wiseco and Wilden.

In connection with the sale of Dover Elevator, which closed on January 5, 1999, the Company transferred all its intellectual property used by Dover Elevator to the buyers, with the exception

of the Dover name and logo and certain patents in the United States, Australia, Canada and Great Britain which were used by Dover Elevator and other Dover segments. The Company granted the buyers a 3 1/2 year royalty-free license to use the Dover name and logo on Dover Elevator products made in the ordinary course of business within the territories in which Dover Elevator operated as of the sale. The buyers were granted an exclusive, paid-up irrevocable, worldwide license to use the 25 patents used by Dover Elevator and other Dover segments within the conduct of Dover Elevator's business after the sale, but only to the extent such business was conducted as of the sale.

Seasonality

Dover's operations are generally not seasonal, although performance tends to be stronger in the second and fourth quarters of the year.

Customers

Dover's businesses serve thousands of customers, no one of which accounted for more than 10% of the Company's consolidated revenues in 1998. Within each of the four segments, no customer accounted for more than 10% of that segment's sales in 1998.

Backlog

Backlog generally is not a significant factor in Dover's businesses, as most of Dover's products have relatively short delivery periods. It is more relevant to those businesses in the segments, which produce larger and more sophisticated machines, or have long-term government contracts, primarily A-C Compressor, Belvac, Heil Trailer, Mark Andy, Sargent Controls and Universal.

Total Company backlog as of December 31, 1998 and 1997 was \$726 million and \$796 million, respectively, excluding that backlog relating to the elevator business. The Company believes that this backlog may reasonably be filled during the fiscal year 1999.

Competition

Dover's competitive environment is complex because of the wide diversity of products manufactured and markets served. In general, Dover companies are market leaders which compete with only a few companies where the key competitive factors are customer service, product quality and innovation. In addition, since most of Dover's manufacturing operations are in the United States, Dover usually is a more significant competitor domestically than in foreign markets.

In the Technologies segment, Dover competes globally against a few very large companies, primarily based in Japan or Europe. Its primary competitors are Japanese producers, including Fuji Machine, Panasonic and TDK.

Within the other segments, competition is primarily domestic, although an increasing number of Dover subsidiaries see more international competitors and several serve markets which are predominately international, particularly A-C Compressor, Alberta Oil Tool, Belvac, Civacon, CRL, De-Sta-Co, Duncan, Norris, OPW Fueling Components, Ronningen-Petter, Tipper Tie Technopak, Tranter, Wilden and Wittemann.

In the Elevator segment, Dover competed for the manufacture and installation of elevators with a few generally large multinational competitors and maintained a strong domestic position. Its primary competitors were Otis, Westinghouse/Schindler and Montgomery/Kone. For service work, there were numerous local, regional and national competitors.

International

For foreign sales, export sales and an allocation of the assets of the Company's continuing operations, see Note 14 to the Consolidated Financial Statements on page 32 of the 1998 Annual Report, which is incorporated herein by reference.

Although international operations are subject to certain risks, such as price and exchange rate fluctuations and foreign governmental restrictions, Dover intends to increase its expansion into foreign markets as domestic markets mature.

The countries where most of Dover's foreign subsidiaries and affiliates are based are Canada, France, Great Britain, Germany and Sweden.

Environmental Matters

Dover believes its operations generally are in substantial compliance with applicable regulations. In some instances, particular plants and businesses have been the subject of administrative and legal proceedings with governmental agencies relating to the discharge or potential discharge of substances. Where necessary, these matters have been addressed with specific consent orders to achieve compliance. Dover believes that continued compliance will not have any material impact on the Company's financial position going forward and will not require significant capital expenditures.

Employees

The Company had about 23,350 employees as of December 31, 1998, excluding employees of Dover Elevator.

Item 2. PROPERTIES

The number, type, location and size of the Company's properties as of December 31, 1998 are shown on the following charts, by segment.

Segment	Number and Nature of Facilities(1)			Square Footage (000's)	
	Mfg.	Ware- house	Sales/ Service	Owned	Leased
Diversified Industries	32	9	51	2,428	716
Resources	43	11	31	3,193	804
Technologies	61	13	32	2,540	512
	53	12	114	1,194	1,139

Segment	Locations			Leased Facilities expiration dates (years)	
	North American	Europe	Other	Minimum	Maximum
Diversified Industries	51	26	3	1	12
Resources	62	11	1	1	15
Technologies	79	16	3	1	16
	65	53	52	1	20

(1) Does not include properties owned by Dover Elevator, all of which were transferred to Thyssen Industrie AG and its direct and indirect subsidiaries on January 5.

The facilities are generally well maintained and suitable for the operations conducted. The productive capacity of its plants is generally adequate for current needs.

Item 3. LEGAL PROCEEDINGS

Dover is party to a number of legal proceedings arising out of the normal course of its businesses. In general, most claims arose in connection with activities of its Elevator segment operations and certain of its other businesses which make products used by the public. In connection with the sale of Dover Elevator, which closed on January 5, 1999, all liabilities of Dover Elevator were transferred to the buyers who have given the Company an appropriate indemnity.

Dover is continuously involved with an examination by the Internal Revenue Service (the "IRS") of the Company's Federal income tax returns. The Company and the IRS have settled tax years through 1993, and during 1998, the IRS completed its examination of the Company's 1994 and 1995 Federal income tax returns. The Company expects to resolve these years in the near future, all within the amounts paid and/or reserved for these liabilities. The IRS is currently examining the Company's 1996 and 1997 Federal income tax returns. In addition, matters have arisen under various environmental laws, as well as under local regulatory compliance agencies. For a further description of such matters, see Note 10 to the Consolidated Financial Statements on page 30 of the 1998 Annual Report, which is incorporated herein by reference.

The Company has also reviewed its exposure with respect to "Year 2000" issues, which is discussed in detail on pages 33-34 of the 1998 Annual Report, which are incorporated herein by reference.

Based on insurance availability, established reserves and periodic reviews of those matters, management is of the opinion that the ultimate resolution of current pending claims and known contingencies should not have a material adverse effect on Dover's financial position, results of operations or cash flows, taken as a whole.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to the vote of the Company's security holders in the last quarter of 1998.

EXECUTIVE OFFICERS OF THE REGISTRANT

All officers are elected annually at the first meeting of the Board of Directors following the annual meeting of stockholders and are subject to removal at any time by the Board of Directors. The executive officers of Dover as of March 1, 1999, and their positions with the Company (and, where relevant, prior business experience) for the past five years are as follows:

Name	Age	Positions Held and Prior Business Experience
- - - - -	---	-----
Thomas L. Reece	56	Director, President and (since May 1994) Chief Executive Officer.
John F. McNiff	56	Director (since May 1996); Vice President-Finance and Treasurer.
Robert G. Kuhbach	51	Vice President, General Counsel and Secretary.

Robert A. Tyre	54	Vice President-Corporate Development (since February 1995); prior thereto President, Rye Transaction Consultants, Inc. (acquisition consultants), from February 1993 to January 1995.
George F. Meserole	53	Vice President, Controller (since August, 1998); prior thereto Assistant Controller.
Charles R. Goulding	49	Vice President, Taxation (since August, 1998); prior thereto Director of Taxation.
Lewis E. Burns	60	Vice President and President of Dover Industries, Inc.
Rudolf J. Herrmann	48	Vice President and President of Dover Resources, Inc.
John E. Pomeroy	57	Director (since May 1998); Vice President and President of Dover Technologies International, Inc.
Jerry W. Yochum	60	Vice President and President of Dover Diversified, Inc.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The principal market in which the Company's Common Stock is traded is the New York Stock Exchange. Information on the high and low sales prices of such stock, and the frequency and the amount of dividends paid during the last two years is set forth on Page 35 of the 1998 Annual Report and incorporated herein by reference. The Company's Common Stock is also listed on the London Stock Exchange.

The number of holders of record of the Company's Common Stock as of March 1, 1999, as shown by the records of the Company's transfer agent was 13,000. This figure includes participants in the Company's 401(K) program.

On December 16, 1998, pursuant to the 1996 Non-Employee Directors' Stock Compensation Plan, the Company issued 1,400 shares of its Common Stock to each of its three U.S. resident outside directors as compensation for serving as a director of the Company during 1998. At that time, the Company issued 2,000 shares of its Common Stock to each of its two non-U.S. residents outside directors who are not subject to U.S. withholding tax, as compensation for serving as a director of the Company during 1998. In addition, the Company issued 500 shares of its Common Stock to Mr. Anthony Ormsby, a non-U.S. resident outside director who retired from the Board in April, 1998.

Item 6. SELECTED FINANCIAL DATA

The information for the years 1988 through 1998 is set forth in the table "11-Year Consolidated Summary of Selected Financial Data" in the 1998 Annual Report on pages 36 and 37 and is incorporated herein by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information set forth in the 1998 Annual Report on pages 33 and 34 is incorporated herein by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATES

The Company's exposure to market risk for changes in interest rates relates primarily to the fair value of long-term fixed interest rate debt, commercial paper borrowings and investments in cash equivalents. Generally, the fair market value of fixed-interest rate debt will increase as interest rates fall and decrease as interest rates rise. A 65 basis point increase in interest rates (10% of the Company's long-term debt interest rate) would have an immaterial effect on the fair value of the Company's long-term debt. Commercial paper borrowings under revolving credit facilities are at variable interest rates, and have maturities of three months or less. A 55 basis point increase in the interest rates (10% of the Company's weighted average commercial paper interest rate) on commercial paper borrowings would have an immaterial impact on the Company's pre-tax earnings. All highly liquid investments, including highly liquid debt instruments purchased with an original maturity of three months or less, are considered cash equivalents. The Company places its investments in cash equivalents with high credit quality issuers and limits the amount of exposure to any one issuer. A 54 basis point decrease in interest rates (10% of the Company's weighted average interest rate) would have an immaterial impact on the Company's pre-tax earnings. The Company does not enter into derivative financial or derivative commodity instruments for trading or speculative purposes.

FOREIGN EXCHANGE

The Company conducts business in various foreign currencies, primarily in Canada, Europe, Japan and other Asian countries. Therefore, changes in the value of the currencies of these countries affect the Company's financial position and cash flows when translated into U.S. Dollars. As of December 31, 1998 the Company had not established a foreign currency-hedging program. The Company has mitigated and will continue to mitigate a portion of its currency exposure through decentralized operating companies in which all costs are local-currency based. A 10% change in the value of all foreign currencies would have an immaterial effect on the Company's financial position and cash flows.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information set forth in the 1998 Annual Report on pages 22 through 32 is incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not Applicable

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Ms. Magalen O. Bryant, Director of Carlisle Companies Incorporated and O'Sullivan Corp., has been a director of the Company since 1979 and will retire in April 1999. Mr. John F. Fort, a director of the Company from 1989 until his resignation on January 29, 1999, was Consultant, Full Circle Investments; Director of Tyco International Ltd. and formerly Chairman and Chief Executive Officer; and Director, Roper Industries. Mr. Anthony J. Ormsby, a private investor, was a director of the Company from 1971 until his retirement in April 1998. The information with respect to the continuing directors of the Company required to be included pursuant to this Item 10 is included under the caption "1. Election of Directors" in the 1999 Proxy Statement relating to the 1999 Annual Meeting of Stockholders filed with the Securities and Exchange Commission (the "Commission") pursuant to Rule 14a-6 under the Securities Exchange Act of 1934, as amended, and is incorporated in this Item 10 by reference. The information with respect to the executive officers of the Company required to be included pursuant to this Item 10 is included under the caption "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K and is incorporated in this Item 10 by reference. The information with respect to Section 16(a) reporting compliance required to be included in this Item 10 is included under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 1999 Proxy Statement and is incorporated in this Item 10 by reference.

Item 11. EXECUTIVE COMPENSATION

The information with respect to executive compensation required to be included pursuant to this Item 11 is included under the caption "Executive Compensation" in the 1999 Proxy Statement and is incorporated in this Item 11 by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information regarding security ownership of certain beneficial owners and management that is required to be included pursuant to this Item 12 is included under the captions "General" and "Security Ownership" in the 1999 Proxy Statement and is incorporated in this Item 12 by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information with respect to any reportable transaction, business relationship or indebtedness between the Company and the beneficial owners of more than 5% of the Common Stock, the directors or nominees for director of the Company, the executive officers of the Company or the members of the immediate families of such individuals that is required to be included pursuant to this Item 13 is included under the caption "1. Election of Directors-Directors' Compensation" in the 1999 Proxy Statement and is incorporated in this Item 13 by reference.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) (1) Financial Statements

The following consolidated financial statements of Dover Corporation and its subsidiaries are set forth in the 1998 Annual Report, which financial statements are incorporated herein by reference:

- (A) Report of Independent Accountants.
- (B) Consolidated balance sheets as of December 31, 1998 and 1997.
- (C) Consolidated statements of earnings, accumulated comprehensive earnings and retained earnings for the years ended December 31, 1998, 1997 and 1996.
- (D) Consolidated statements of cash flows for the years ended December 31, 1998, 1997 and 1996.
- (E) Notes to consolidated financial statements.

(2) Financial Statement Schedule

The following financial statement schedule is attached to Part IV of this report on form 10-K:

Schedule II -- Valuation and Qualifying Accounts

Report of Independent Accountants.

All other schedules are not required and have been omitted.

(3) See (c) below.

(b) Current Reports on Form 8-K:

On December 8, 1998, the Company filed with the Securities and Exchange Commission a required report on Form 8-K, with respect to the sale of its elevator business operations which contained unaudited pro-forma condensed consolidation financial information reflecting such sale.

(c) Exhibits:

- (2) Purchase Agreement dated as of November 23, 1998 by and among Thyssen Industrie AG, Thyssen Elevator Holding Corporation, as buyers, and Dover Corporation, as seller, filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed December 8, 1998, is incorporated by reference. Schedules relating to Purchase Price Allocation, U.S. Federal Income Taxes, Elevator Financial

Statements and Executive Employment Arrangements have been omitted, but will be furnished supplementally to the Securities and Exchange Commission upon request.

- (3)(i) Restated Certificate of Incorporation, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the Period Ended June 30, 1998, is incorporated by reference.
- (3)(ii) By-Laws of the Company filed as Exhibit 3.1 to Quarterly Report on Form 10-Q for Period Ended June 30, 1998, are incorporated by reference.
- (4.1) Amended and Restated Rights Agreement, dated as of November 15, 1996, between Dover Corporation and Harris Trust Company of New York, filed as Exhibit 1 to Form 8-A/A dated November 15, 1996, is incorporated by reference.
- (4.2) Indenture, dated as of June 8, 1998 between Dover Corporation and The First national Bank Chicago, as Trustee, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.3) Form of 6.25% Note due June 1, 2008 (\$150,000,000 aggregate principal amount), filed as Exhibit 4.3 to the company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.4) Form of 6.65% Note due June 1, 2028 (\$200,000,000 aggregate principal amount), filed as Exhibit 4.4 to the Company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.5) Form of Indenture between the Company and The First National Bank of Chicago, as Trustee, relating to the 6.45% Notes due November 15, 2005 (including the form of the note), filed as Exhibit 4 to the Company's Registration Statement on Form S-3 (Reg. No. 33-63713) filed under the Securities Act of 1933, is incorporated by reference.
- (4.6) The Company agrees to furnish to the Securities and Exchange Commission. Upon request, a copy of any instrument with respect to long-term debt under which the total amount of securities authorized does not exceed 10 percent of the total consolidated assets of the Company.
- (10.1) 1984 Incentive Stock Option and Cash Performance Program, filed as Exhibit 10(a) to Annual Report on Form 10-K for year ended December 31, 1984, is incorporated by reference.*
- (10.2) Employee Savings and Investment Plan, filed as Exhibit 99 to Registration Statement on Form S-8 filed under Securities Act of 1933 (Reg. No.33-01419), is incorporated by reference.*
- (10.3) 1995 Incentive Stock Option and 1995 Cash Performance Program, as amended.*
- (10.4) 1996 Non-Employee Directors' Stock Compensation Plan, included as Exhibit A to the Proxy Statement, dated March 16, 1998 is incorporated by reference.*
- (10.5) Executive Officer Annual Incentive Plan, included as Exhibit A to the Proxy Statement dated, March 16, 1998, is incorporated by reference.*
- (10.6) Form of Executive Severance Agreement.*
- (13) Incorporated portions of Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1998 as filed with the Commission by EDGAR on March 23, 1999; are incorporated by reference.

(21) Subsidiaries of Dover.

(23.1) Consent of PricewaterhouseCoopers LLP.

(24) Form of Power of Attorney.

(27) Financial Data Schedule (in EDGAR filing only).

* Executive compensation plan or arrangement.

(d) Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereto duly authorized.

DOVER CORPORATION

By: /s/ Thomas L. Reece

 Thomas L. Reece
 President and Chief Executive Officer

Date: March 29, 1999

Pursuant to the requirements of the Securities and Exchange Act of 1934, this Report to be signed below on behalf of the Registrant in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
/s/ Thomas L. Reece ----- Thomas L. Reece	President and Chief Executive Officer and Director (Principal Executive Officer)	March 29, 1999
/s/ John F. McNiff ----- John F. McNiff	Treasurer and Director (Principal Financial Officer)	March 29, 1999
/s/ George F. Meserole ----- George F. Meserole	Controller (Principal Accounting Officer)	March 29, 1999
/s/ Gary L. Roubos ----- Gary L. Roubos	Chairman and Director*	March 29, 1999
/s/ David H. Benson ----- David H. Benson	Director*	March 29, 1999
/s/ Magalen O. Bryant ----- Magalen O. Bryant	Director*	March 29, 1999
/s/ Jean-Pierre M. Ergas ----- Jean-Pierre M. Ergas	Director*	March 29, 1999
/s/ Roderick J. Fleming ----- Roderick J. Fleming	Director*	March 29, 1999

/s/ James L. Koley

James L. Koley Director*

March 29, 1999

/s/ John E. Pomeroy

John E. Pomeroy Director*

March 29, 1999

* By: /s/ Robert G. Kuhbach

Robert G. Kuhbach
Attorney-in-Fact

EXHIBIT INDEX

- (2) Purchase Agreement dated as of November 23, 1998 by and among Thyssen Industrie AG, Thyssen Elevator Holding Corporation, as buyers, and Dover Corporation, as seller, filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed December 8, 1998, is incorporated by reference. Schedules relating to Purchase Price Allocation, U.S. Federal Income Taxes, Elevator Financial Statements and Executive Employment Arrangements have been omitted, but will be furnished supplementally to the Securities and Exchange Commission upon request.
- (3)(i) Restated Certificate of Incorporation, filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the Period Ended June 30, 1998, is incorporated by reference.
- (3)(ii) By-Laws of the Company filed as Exhibit 3.1 to Quarterly Report on Form 10-Q for Period Ended June 30, 1998, are incorporated by reference.
- (4.1) Amended and Restated Rights Agreement, dated as of November 15, 1996, between Dover Corporation and Harris Trust Company of New York, filed as Exhibit 1 to Form 8-A/A dated November 15, 1996, is incorporated by reference.
- (4.2) Indenture, dated as of June 8, 1998 between Dover Corporation and The First National Bank Chicago, as Trustee, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.3) Form of 6.25% Note due June 1, 2008 (\$150,000,000 aggregate principal amount), filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.4) Form of 6.65% Note due June 1, 2028 (\$200,000,000 aggregate principal amount), filed as Exhibit 4.4 to the Company's Current Report on Form 8-K filed June 12, 1998, is incorporated by reference.
- (4.5) Form of Indenture between the Company and The First National Bank of Chicago, as Trustee, relating to the 6.45% Notes due November 15, 2005 (including the form of the note), filed as Exhibit 4 to the Company's Registration Statement on Form S-3 (Reg. No. 33-63713) filed under the Securities Act of 1933, is incorporated by reference.
- (4.6) The Company agrees to furnish to the Securities and Exchange Commission. Upon request, a copy of any instrument with respect to long-term debt under which the total amount of securities authorized does not exceed 10 percent of the total consolidated assets of the Company.
- (10.1) 1984 Incentive Stock Option and Cash Performance Program, filed as Exhibit 10(a) to Annual Report on Form 10-K for year ended December 31, 1984, is incorporated by reference.*
- (10.2) Employee Savings and Investment Plan, filed as Exhibit 99 to Registration Statement on Form S-8 filed under Securities Act of 1933 (Reg. No.33-01419), is incorporated by reference.*
- (10.3) 1995 Incentive Stock Option and 1995 Cash Performance Program, as amended.*
- (10.4) 1996 Non-Employee Directors' Stock Compensation Plan, included as Exhibit A to the Proxy Statement, dated March 16, 1998 is incorporated by reference.*
- (10.5) Executive Officer Annual Incentive Plan, included as Exhibit A to the Proxy Statement, dated March 16, 1998, is incorporated by reference.*
- (10.6) Form of Executive Severance Agreement.*

- (13) Incorporated portions of Dover's Annual Report to Stockholders for its fiscal year ended December 31, 1998 as filed with the Commission by EDGAR on March 23, 1999; are incorporated by reference.
- (21) Subsidiaries of Dover.
- (23.1) Consent of PricewaterhouseCoopers LLP.
- (24) Form of Power of Attorney.
- (27) Financial Data Schedule (in EDGAR filing only).

* Executive compensation plan or arrangement.

SCHEDULE II

DOVER CORPORATION AND SUBSIDIARIES
Valuation and Qualifying Accounts

Years Ended December 31, 1998, 1997, 1996

	Balance at Beginning of Year ----	Additions Charged to Cost and Expense ----- (000's omitted)	Deductions (1) ---	Balance at Close of Year ----
Year Ended December 31, 1998				
Allowance for Doubtful Accounts	\$19,468	\$ 6,542	\$ 5,055	\$20,955
Year Ended December 31, 1997				
Allowance for Doubtful Accounts	\$16,569	\$ 7,248	\$ 4,349	\$19,468
Year Ended December 31, 1996				
Allowance for Doubtful Accounts	\$15,907	\$ 4,472	\$ 3,810	\$16,569

Notes:

- (1) Represents uncollectible accounts written off and reduction of prior years' over-provision less recoveries of accounts previously written off, net of \$540, \$1,499 and \$921 related to acquisitions and divestitures in 1998, 1997 and 1996, respectively.

	Balance at Beginning of Year ----	Charged, (Credited) to Cost and Expense ----- (000's omitted)	Acq. by Merger -----	Balance at Close of Year ----
Year Ended December 31, 1998				
Lifo Reserve	\$40,629	\$ (189)	\$ --	\$40,440
Year Ended December 31, 1997				
Lifo Reserve	\$39,787	\$ 842	\$ --	\$40,629
Year Ended December 31, 1996				
Lifo Reserve	\$39,616	\$ 171	\$ --	\$39,787

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Stockholders of Dover Corporation:

Our audits of the consolidated financial statements referred to in our report dated February 5, 1999 appearing in the 1998 Annual Report to Shareholders of Dover Corporation, which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K also included an audit of the financial statement schedules listed in item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all materials respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

New York, New York
February 5, 1999

DOVER CORPORATION
1995 INCENTIVE STOCK OPTION PLAN
AND
1995 CASH PERFORMANCE PROGRAM
(as amended through March 1999)

A. PURPOSE AND SCOPE OF
PLAN AND PROGRAM

1. Purpose. The 1995 Incentive Stock Option Plan (the "Plan") and 1995 Cash Performance Program (the "Program") are intended to promote the long-term success of Dover Corporation by providing salaried officers and other key employees of Dover Corporation and its subsidiaries, on whom major responsibility for the present and future success of Dover Corporation rests, with a long-range inducement to remain with the organization and to encourage them to increase their efforts to make Dover Corporation successful. The term "Corporation" shall mean Dover Corporation and any present or future corporation which is or would be a "subsidiary corporation" of Dover Corporation as defined in Section 424 of the Internal Revenue Code of 1986, as amended (the "Code"), unless the context requires otherwise.

2. Successor Plan and Program. The Plan and the Program are successors to the 1984 Incentive Stock Option Plan and Cash Performance Program (hereinafter the "Predecessor Plans"). No further grants of options or incentive awards may be made under the Predecessor Plans. Options and incentive awards under the Predecessor Plans shall be administered pursuant to the provisions of those respective Plans.

3. Administration. The Plan and the Program shall be administered and interpreted by the Compensation Committee (or such other Committee of the Board of Directors as the Board may designate if there is no Compensation Committee; hereinafter the "Committee"), consisting of not less than three persons appointed by the Board of Directors of the Corporation from among its members. A person may serve as a Committee member provided he or she shall comply in all respects with any qualifications required by law, including specifically being a "disinterested person" for purposes of the rules promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and an "outside director" for purposes of Section 162(m) of the Code. The Committee will have sole and complete authority to administer all aspects of the Plan and the Program, including but not limited to: (a) determining the individuals eligible to receive options and restricted stock under the Plan and/or to participate in the Program; (b) granting options, restricted stock and participations; (c) determining the number of options and the amount of restricted stock and participations to be granted to any such eligible individuals at any time or from time to time; (d) determining the terms and conditions under which grants and participations will be made; and (e) determining whether objectives and conditions for performance bonuses have been met. The Committee may, subject to the provisions of the Plan and Program, from time to time establish such rules and regulations as it deems appropriate for the proper administration of the Plan and the Program. The Committee's decisions shall be final, conclusive and binding with respect to the interpretation and administration of the Plan and the Program and any grants or

awards made thereunder.

4. Eligibility. Grants may be made to any employee of the Corporation who is a salaried officer or other key employee, including salaried members of the Board of Directors (hereinafter sometimes referred to as "participants"). The Committee shall select the participants eligible and determine the terms of the grants and participations to each.

5. Shares Available for Grant. 20,000,000 shares of Common Stock of Dover Corporation (the "Common Stock") will be reserved for issuance upon exercise of options to purchase Common Stock granted under the Plan, which options may be granted at any time prior to January 30, 2005, and for awards of restricted stock. These maximum numbers are 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 14 below. If any option or award of restricted stock granted under the Plan expires, terminates or is canceled for any reason without having been exercised in full, the number of unpurchased shares under such option or restricted stock under such award will again be available for the purpose of the Plan.

B. STOCK OPTION AWARDS

6. Stock Options. Options granted under the terms of this Plan shall be designated as either "non-qualified" stock options or "incentive" stock options within the meaning of Section 422 of the Code, and shall contain such terms and conditions as the Committee may from time to time determine, subject to the following limitations:

(a) Option Price. The option price for shares covered by any option will be determined by the Committee, but shall in no event be less than the fair market value of such shares on the date the option is granted. The fair market value will be construed to be the average of the high and low sales price of the Common Stock on the New York Stock Exchange (the "Exchange") on the date the option is granted by the Committee or, if no sales have occurred on that date, such value will be the closing price on the Exchange on the trading day next preceding the granting of the option.

(b) Option Exercise Period. The term of each option will be for such period as the Committee may determine, but in no event may an option be exercised more than 10 years following the granting thereof.

(c) Rights of Option Holder. A recipient of stock options shall have no rights as a stockholder with respect to any shares issuable or transferable upon exercise thereof until the date of issuance of a stock certificate for such shares. Except as specifically set forth in Paragraph 14 below, no adjustment shall be made for dividends or other distributions of cash or other property on or with respect to shares of stock covered by these options paid or payable to holders of record prior to such issuance.

(d) Limits on Individuals. Options on a maximum number of 600,000 shares may be granted each year to a single participant. The aggregate fair market value (determined on the

date of grant) of Common Stock with respect to which a participant is granted incentive stock options (including incentive stock options granted under any Predecessor Plan) which first become exercisable during any given calendar year shall not exceed \$100,000.

7. Exercise of Option. Stock options may be exercised at such time or times and subject to such terms and conditions as the Committee shall determine and are specified in the option instrument, not inconsistent with the terms of the Plan; provided, however, that except as set forth in Paragraphs 11 and 14, no option may be exercised prior to the third anniversary of such Option grant and any partial exercise of an option shall be for not less than 500 shares. To exercise an option, the option holder 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. The date of actual receipt by the Corporation of such notice and payment shall be deemed the date of exercise of the option with respect to the shares being purchased and the stock certificates therefor shall be issued as soon as practicable thereafter. The shares to be issued upon exercise of an option will be either treasury or authorized and unissued stock, in the sole discretion of the Corporation.

8. Payment. Payment of the option exercise price must be made in full at the time of exercise (a) by check made payable to the Corporation, (b) if available, through the Loan Program (as hereinafter described), (c) by transfer to the Corporation of shares of Common Stock owned by the participant or (d) with a combination of the foregoing. If payment is made by the transfer of shares, the value per share of the shares so transferred to the Corporation to be credited toward the purchase price will be the average between the high and the low sales price per share of Common Stock on the Exchange on the date the option is exercised or, if no sales have occurred on that date, such value will be the closing price per share on the Exchange on the trading day next preceding the exercise of the option. The shares transferred to Dover will be added to the Corporation's treasury shares or canceled and become authorized and unissued shares.

9. Option Transfers. The options granted under the Plan may not be sold, transferred, hypothecated, pledged or otherwise disposed of by any of the holders except by will or by the laws of descent and distribution, or as otherwise provided herein. The option of any person to acquire stock and all rights thereunder shall terminate immediately if the holder attempts to or does sell, assign, transfer, pledge, hypothecate or otherwise dispose of the option or any rights thereunder to any other person except as permitted herein. Notwithstanding the foregoing, a participant may transfer any non-qualified option granted under this Plan to members of the holder'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 option holder 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. Registration. The Corporation will stamp stock certificates delivered to the stockholder with an appropriate legend if the shares are not registered under the Securities Act of 1933, as amended (the "Act"), or are otherwise not free to be transferred by the holder 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 Act or by any rule or regulation of the Securities and Exchange Commission issued pursuant to the Act.

11. Effect of Death, or Permanent Disability or Retirement. If an option holder dies or becomes permanently disabled while employed by the Corporation, the option holder or such holder's estate or the legatees or distributees of such holder's estate or of the option, as the case may be, shall have the right, on or before the earlier of the expiration date of the option or sixty (60) months following the date of such death or permanent disability, to purchase under the option the number of shares, if any, which the option holder was entitled to purchase as of such date of death or permanent disability. If an option holder retires at or after age 65 (or at an earlier retirement date approved by the Committee and subject to the provisions of Paragraph 37 below), the option holder shall have the right, on or before the earlier of the expiration date of the option or sixty (60) months following the date of such retirement, to purchase shares under any options which at retirement are, or within sixty (60) months following retirement would become, exercisable.

12. Voluntary or Involuntary Termination. If any option holder's employment with the Corporation is voluntarily or involuntarily terminated for any reason, other than for reasons specified above or for "cause" (as defined below), the option holder shall have the right to purchase under the option the number of shares, if any, which such holder was entitled to purchase at the time of such termination at any time on or before the earlier of three (3) months following the effective date of such termination of employment or the expiration date of the option.

13. Termination for Cause. If an option holder's employment with the Corporation is terminated for cause (defined as (a) a felony conviction of the option holder; (b) the commission by the option holder of an act of fraud or embezzlement against the Corporation; or (c) the option holder's willful misconduct or gross negligence materially detrimental to the Corporation), the option shall be canceled and the holder shall have no further rights to exercise any such option and all of such holder's rights thereunder shall terminate as of the effective date of termination of employment.

14. Effect of Stock Dividends, Merger, Recapitalization or Reorganization or Similar Events. If any Common Stock dividend is paid by the Corporation, if any non-cash distribution is made by the Corporation as respects its Common Stock, if the shares of Common Stock are split or reclassified, if the Corporation should be reorganized or consolidated or merged with or into another corporation, or if all or substantially all the assets of the Corporation are transferred to any other corporation in a reorganization, each option holder shall be entitled, upon exercise of such holder's option, to receive for the same aggregate exercise price the same number and kind of shares of stock (to the nearest whole number) as he or she would have been entitled to receive upon the happening of such stock dividend, distribution, stock split, reclassification, reorganization, consolidation, merger or transfer, if he or she had been, immediately prior to such event, the holder of such shares. Outstanding options shall be appropriately amended as to price and other terms in a manner consistent with the aforementioned adjustment to the shares of Common Stock subject to the Plan. The Board of Directors shall have the power, in the event of any disposition of substantially all of the assets of the Corporation, its dissolution, any merger or consolidation, or the merger or consolidation of any other corporation into the Corporation, to amend all outstanding options to permit their exercise prior to the effectiveness of any such transaction and to terminate

such options as of such effectiveness. If the Board of Directors shall exercise such power, all options outstanding shall be deemed to have been amended to permit the exercise thereof in whole or in part by the holder at any time or from time to time as determined by the Board of Directors prior to the effectiveness of such transaction and such options shall be deemed to terminate upon such effectiveness.

15. Loan Program. Except in unusual circumstances, it is the Corporation's expectation that shares acquired through the exercise of options are to be held by participants for the duration of their employment with the Corporation. In order to help participants finance the exercise of their options and resulting income taxes, if any, the Corporation may provide for loans to Plan participants at any time and from time to time after May 1, 1995. If established by the Board, any loan program will be administered by the Committee and may apply to all existing unexercised options, with the exception of incentive options, and/or all future option grants, as the Committee shall decide. The terms of any loans shall be specified by the Committee, as they may deem appropriate, provided that the following terms shall apply:

(a) The maximum amount of any loan cannot be greater than the option exercise price of the acquired stock, together with the amount of any taxes due as a result of such exercise, and in any event cannot exceed the fair market value of the acquired stock. In the event the participant chooses to satisfy all or a portion of the option exercise price by surrender, at fair market value, of other Common Stock already owned by the participant, the maximum amount of the loan will be reduced by the value of the stock surrendered.

(b) Loans will be evidenced by promissory notes having a term of not more than ten (10) years, which notes shall be subject to further extension for additional periods of time not exceeding ten (10) years at each such extension. Prepayment of loan principal may not be required during the participant's employment with the Corporation and/or subsidiaries. Repayment in full must be made within one (1) month of termination of employment; however, this period is extended to six (6) months if employment ceases due to death, permanent disability or retirement. Loan prepayment may be made by the participant at the participant's discretion but, once reduced, the loan may not be subsequently increased.

(c) The Corporation shall have the right to hold as collateral all stock acquired under a particular option instrument, regardless of the amount of the loan, until the loan is fully repaid. Such stock will be registered in the participant's name (or such other name as the Plan permits) so that the participant may vote the stock and receive the dividends applicable thereto, provided the loan is current.

(d) The participant will be responsible for the full repayment of the loan, regardless of the value of the stock. However, no additional collateral for the loan will be required regardless of the fair market value of the stock.

(e) Interest on the loan balance will be due quarterly, in arrears, and will be at a sufficient rate so as not to result in any imputed income to the participant under the terms of the Code.

16. Change of Control. Options and grantees of options shall be subject to the terms of Paragraph 36 below related to a change of control of the Corporation.

C. RESTRICTED STOCK AWARDS

17. Grant. Subject to the provisions and as part of the Plan, the Committee shall have sole and complete discretion and authority to determine the eligible persons who shall receive shares of Common Stock which are subject to certain forfeiture restrictions during the restriction period and subject to the terms of the Plan ("restricted stock"). Awards of restricted stock shall contain such terms and conditions as the Committee may from time to time determine, subject to the following limitations.

18. Term of Restriction Period. The Committee may adopt such vesting schedules, not longer than five (5) years from the date of the award, as it may deem appropriate with respect to awards of restricted stock and may condition the lapse of the restrictions applicable to an award upon the attainment by the Corporation or any subsidiary or division or by the participant of any performance objectives set by the Committee.

19. Issuance of Shares. Certificates issued for restricted stock shall be registered in the name of the participant and deposited by the participant with the Secretary of the Corporation, together with a stock power endorsed in blank. Upon lapse of the applicable restriction period, the Corporation shall deliver such certificates to the participant. In the event that the shares of restricted stock are forfeited, such shares automatically shall be transferred back to the Corporation. The Corporation will stamp the stock certificates delivered to the participant with an appropriate legend if the shares are not registered under the 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 Act or by any rule or regulation of the Securities and Exchange Commission issued pursuant to the Act.

20. Dividends and Voting Rights. In the discretion of the Committee, dividends which become payable with respect to restricted stock during the restriction period will be reinvested in additional shares of restricted stock for the account of the award recipient, accumulated for later distribution to vested participants, or distributed to the award recipient as paid. An employee who receives an award of restricted stock may also in the discretion of the Committee be entitled, during the restriction period, to exercise voting rights with respect to such restricted stock.

21. Nontransferability. Shares of restricted stock 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 contrary to the provisions of the award agreement or the Plan, the restricted stock shall immediately be forfeited to the Corporation.

22. Termination of Employment. In the case of a participant's permanent disability, death, termination of employment by the Corporation other than for cause (as defined in Paragraph 13 above) or special circumstances, as determined by the Committee, any restrictions remaining

with respect to shares of restricted stock as of the date of the participant's termination of employment shall lapse. If the participant's employment with the Corporation is terminated as a result of the retirement of the participant at or after age 65 (or at an earlier retirement date approved by the Committee and subject to the provisions of Paragraph 37 below), the shares of restricted stock shall continue to vest as if the participant's employment had not terminated until such time as the remaining restrictions lapse. If a participant's employment with the Corporation is voluntarily or involuntarily terminated for any other reason during the restriction period, the shares of restricted stock shall be forfeited.

23. Effect of Stock Dividends, Merger, Recapitalization or Reorganization or Similar Events. In the event of a stock dividend, merger, recapitalization, reorganization or other transaction described in Paragraph 14 above, the terms and conditions of the restricted stock awards shall be adjusted in a manner consistent with adjustments made to options granted under the Plan.

24. Change of Control. Awards of restricted stock and persons who are awarded restricted stock shall be subject to the terms of Paragraph 36 below.

25. Cancellation. The Committee may at any time require the cancellation of any award of restricted stock in consideration of a cash payment or alternative award under the Plan equal to the fair market value of the cancelled award of restricted stock.

D. CASH PERFORMANCE AWARDS

26. Awards and Period of Contingency. The Committee may, concurrently with, or independently of, the granting of an option under the Plan, in its sole discretion, grant to a participant the opportunity to earn a cash performance payment, conditional upon the attainment of an objective performance goal during a performance period. The performance period shall be not less than three fiscal years of the Corporation, including the year in which the conditional grant is made. Any performance goal established by the Committee shall include an objective formula or standard for determining the amount of the performance payment payable to a participant if the goal is attained. The performance goal may be fixed by the Committee for the Corporation as a whole or for a subsidiary or division of the Corporation, depending on the Committee's judgment as to what is most appropriate for the individual involved, and shall be set by the Committee before the 90th day after the commencement of the period of services to which the performance payment relates. Performance goals shall be based on at least one or more of the following factors which the Committee deems appropriate, as they apply to the Corporation as a whole or to a subsidiary or a division: (a) earnings per share, (b) operating earnings, (c) return on equity and (d) return on investment. The performance goal with respect to a performance period will be the same for all persons within the same business unit. The material terms of the performance goals shall be subject to stockholder approval to the extent provided in regulations promulgated under Section 162(m) of the Code.

27. Determination of Payment Amount. The aggregate maximum cash payout for any business unit within the Corporation or the Corporation as a whole shall not exceed a fixed percentage of the annual average earnings increase of the relevant entity during the performance period, such percentages and dollar amounts to be determined by the Committee annually when

performance goals are established. In no event can an individual receive an annual payment which exceeds \$2 million. A performance payment shall be payable with respect to a performance period only if the Committee shall have certified that the applicable performance target has been attained. The Committee shall also have the power to approve proportional or adjusted payments under the Program to address situations where participants join the Corporation, or transfer within the Corporation, during a performance period. The Committee shall have the discretion to decrease the amount payable upon attainment of the performance goal (as determined under such formula or standard) to take into account the effect of any unusual, non-recurring circumstance, but shall have the discretion to increase the amount payable to take into account any such effect only if such discretion would not cause such compensation to fail to qualify as "qualified performance-based compensation" for purposes of Section 162(m) of the Code.

28. Effect of Death, Disability or Other Early Termination of Employment. If the participant in the Program (a) dies, becomes permanently disabled while employed by the Corporation or terminates employment for any reason designated by the Committee, subject to the provisions of Paragraph 37 below, as an "approved termination" (other than related to retirement), in each case before the date of payment or distribution of any final award, or (b) otherwise ceases to be an employee, whether voluntarily or involuntarily, after the performance measurement period and before the payment date for any reason other than termination by the employer for cause, 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 the cash payment which 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 measurement period and the denominator of which is the number of months of the performance measurement period (treating fractional months as whole months in each case).

29. Effect of Normal Retirement. If before the date of payment, the participant retires on or after age 65 years (or at an earlier retirement date approved by the Committee and subject to the provisions of Paragraph 37 below), the participant shall be entitled to receive on the payment date the same amount of cash which the participant would have earned had such participant then been an employee of the Corporation as of such date.

30. Effect of Other Termination. If the participant's employment with the Corporation is terminated for any reason during or after the performance period and before the payment date other than as set forth in the preceding two paragraphs, whether such termination be voluntary or involuntary, such participation shall be canceled and all of the participant's rights under the grant shall terminate as of the effective date of termination of such employment.

31. Change of Control. The terms of a performance goal and each participant in the Cash Performance Program shall be subject to the terms of Paragraph 36 below.

E. GENERAL PROVISIONS

32. Legal Compliance. It is the intent of the Corporation that the Plan comply in all respects with applicable provisions of the Exchange Act, including Section 16 and Rule 16b-3, so

that any grant of options to, or other transaction by, a participant who is subject to the reporting requirements of Section 16(a) of the Exchange Act shall not result in short-swing profits liability under Section 16(b) (except for any transaction exempted under alternative Exchange Act rules or intended by such participant to be a non-exempt transaction). It is also the intent of the Corporation that any compensation income realized in connection with options or restricted stock and any performance payments made under the Plan and Program constitute "performance-based compensation" within the meaning of Section 162(m)(4)(C) of the Code so that any deduction to which the Corporation is entitled in connection with such compensation will not be subject to the limitations of Section 162(m)(1) of the Code. Accordingly, if any provision of the Plan or Program or any agreement relating to an option, grant of restricted stock or participation does not comply with the requirements of Rule 16b-3 as then applicable to any such transaction so that such a participant would be subject to Section 16(b) liability (except for any transaction exempted under alternative Exchange Act rules or intended by such participant to be a non-exempt transaction), or if any provision of the Plan or Program or any agreement relating to an option, grant of restricted stock or participation would limit, under Section 162(m)(1) of the Code, the amount of compensation income to an optionee or participant that the Corporation would otherwise be entitled to deduct, 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.

33. Withholding Taxes. The Committee shall make arrangements for the collection of any Federal, State or local taxes of any kind required to be withheld with respect to any transactions effected under the Plan or the Program. The obligations of the Corporation under the Plan and the Program shall be conditional on satisfaction of such obligations and the Corporation, to the extent permitted by law, shall have the right to deduct any such taxes from any payment of any kind otherwise due to a participant.

34. Effect of Recapitalization or Reorganization. The obligations of the Corporation with respect to an option or restricted stock granted under the Plan or a participation under the Program shall be binding upon the Corporation, its successors or assigns, including any successor or resulting company either in liquidation or merger of the Corporation into another company 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 company acquires all or substantially all the assets of the Corporation and assumes all or substantially all its obligations unless options are terminated in accordance with Paragraph 14.

35. Employment Rights and Obligations. Neither the granting of any option or award of restricted stock under the Plan or participation under the Program nor the provisions related to a change of control of the Corporation (as defined below) or a Person seeking to effect a change of 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.

36. Change of Control.

(a) Each participant, upon acceptance of a grant of options or restricted stock or

the opportunity to earn a cash performance payment, and as a condition to such grant, shall be deemed to have agreed that, in the event any Person begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a change of control of the Corporation (as defined below), such participant will not voluntarily terminate his or her employment with the Corporation or with a direct or indirect subsidiary of the Corporation, as the case may be, and, unless terminated by the Corporation or such subsidiary, will continue to render services to the Corporation or such subsidiary until such Person has abandoned or terminated efforts to effect a change of control.

(b) In the event of a change of control,

(i) all options to purchase shares of common stock of the Corporation shall immediately vest and become exercisable in accordance with the terms of the appropriate stock option agreement;

(ii) all outstanding restrictions with respect to any restricted stock shall immediately expire;

(iii) with respect to performance awards under the Cash Performance Program:

(A) all performance awards outstanding shall immediately vest and become immediately due and payable;

(B) the performance measurement period of all performance awards outstanding shall terminate on the last day of the month prior to the month in which the change of control occurs;

(C) the participant shall be entitled to a cash payment the amount of which shall be determined in accordance with the terms and conditions of the Program and the appropriate program award agreement, which amount shall be multiplied by a fraction, the numerator of which is the actual number of months in the performance measurement period (as determined in accordance with clause (iii)(B) above) and the denominator of which is 36 (or 48 if the performance measurement period established at the date of grant is four years or more); and

(D) the Continuing Directors (as defined in Article Fourteenth of the Corporation's Certificate of Incorporation) shall promptly determine whether the participant is entitled to any performance award, and any performance award payable shall be paid to the participant promptly but in no event more than five days after a change of control;

(iv) 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 grant or participation under the Plan or the Program, and their decisions shall be binding and conclusive upon all interested parties; and

(v) other than as set forth above, the terms and conditions of all grants and

participations shall remain unchanged.

(c) A "change of 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 February 1, 1995, 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 stockholders 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 February 1, 1995 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 stockholders 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 stockholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such transaction or series of transactions.

(d) For purposes of this Paragraph 36, 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 which are properly filed on a Form 13-G.

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

(iv) "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 stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation.

37. Non-compete. (a) Any approval by the Committee of a participant who takes early retirement being accorded the same treatment as a participant retiring at or after age 65, as contemplated in Paragraphs 11, 22 and 29, and any designation by the Committee of a termination as an "approved termination" under Paragraph 28(a) shall be subject to the provisions of this Paragraph 37. Any participant who is the beneficiary of any such approval or designation by the Committee shall be deemed to have expressly agreed not to compete with the Corporation or any subsidiary of the Corporation at which such participant was employed at any time in the three years immediately prior to termination of employment, as the case may be, in the geographic area in which the Corporation or such subsidiary actively carried on business at the end of the participant's employment there, for the period with respect to which such approval or designation affords the participant enhanced benefits, which period shall be, (a) with respect to stock options, the additional period allowed the participant for the vesting and exercise of options outstanding at termination of employment, (b) with respect to restricted stock, the period remaining after the participant's termination of employment until the end of the original restriction period for such restricted stock, and (c) with respect to performance awards under the Cash Performance Program, the period until the payment date following the end of the last applicable performance period.

(b) In the event that a participant shall fail to comply with the provisions of this Paragraph 37, the Committee's approval and/or designation, as applicable, described above 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 provision of this Paragraph 37, or the corresponding provisions of a grant, award or participation agreement, shall be unenforceable as to any participant, the Committee may rescind any such approval or designation with respect to such participant.

(c) If any provision of this Paragraph 37, or the corresponding provisions of a

grant, award or participation agreement, 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 37, or the corresponding provisions of a grant, award or participation agreement, shall not be affected thereby and shall remain valid and enforceable, as if such affected provision were not contained herein or therein.

38. Interpretation. The Committee 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 the Plan and the Program, of any stock option agreement, loan or restricted stock award agreement entered into pursuant to the Plan, or of any participation under the Program, and its decisions shall be binding and conclusive upon all interested parties.

39. Amendment. Except as expressly provided in the next sentence, the Board of Directors may amend the Plan or Program in any manner it deems necessary or appropriate (including any of the terms, conditions or definitions contained herein), or terminate the Plan and/or Program at any time prior to January 30, 2005; provided, however, that any such termination will not affect the validity of any then outstanding options or restricted stock awards previously granted under the Plan or outstanding participations under the Program, as the case may be. Without the approval of the Corporation's stockholders, the Board cannot: (a) increase the maximum number of shares covered by the Plan or change the class of employees eligible to receive options or restricted stock awards; (b) reduce the option price below the fair market value of the Common Stock on the date of the option grant; or (c) extend beyond 120 months from the date of the grant the period within which an option may be exercised.

40. Effectiveness, and Termination of Plan. The Plan and the Program will become effective on the date of their adoption by the Board of Directors, subject to ratification of the adoption of the Plan and the Program by affirmative vote of holders of a majority of the issued and outstanding shares of Common Stock. The Plan and Program will both terminate on January 30, 2005 and no option or restricted stock award grant or participation grant, as the case may be, may be made on or after such date.

41. Foreign Jurisdictions. The Committee may adopt, amend, and terminate such arrangements, not inconsistent with the intent of the Plan and the Program, as it may deem necessary or desirable to make available tax or other benefits of the laws of foreign jurisdictions to participants who are subject to such laws.

42. Governing Law. The Plan, the Program and all grants, options, awards and payments made hereunder shall be governed by and interpreted in accordance with the internal laws of the State of New York, without regard to conflicts of law principles.

EXECUTIVE SEVERANCE AGREEMENT

AGREEMENT made as of this 1st day of January, 1998 by and between DOVER CORPORATION, a Delaware corporation (the "Corporation"), and _____ (the "Executive");

W I T N E S S E T H :

WHEREAS, the Board of Directors of the Corporation (the "Board") has determined that the Executive is a key executive of the Corporation or of a direct or indirect subsidiary of the Corporation (a "Subsidiary");

WHEREAS, the Board considers the establishment and maintenance of a sound and vital management to be essential to protecting and enhancing the best interests of the Corporation and its stockholders;

WHEREAS, the possibility of an unsolicited tender offer or other takeover bid for the Corporation and the consequent change of control, and the uncertainty and questions which such possibility may raise among management, may result in the departure or distraction of the Executive to the detriment of the Corporation and its stockholders;

WHEREAS, the Corporation desires to provide the Executive with severance benefits in the event that the Executive's employment with the Corporation or with a Subsidiary, as the case may be, is terminated under certain circumstances in order to assure a continuing dedication by the Executive to the performance of the Executive's duties notwithstanding the occurrence of a tender offer or other takeover bid for the Corporation and, particularly, to ensure that the Executive will be in a position to assess and advise the Board whether proposals from third persons would be in the best interests of the Corporation and its stockholders without being influenced by the uncertainties as to the Executive's own situation;

WHEREAS, the Executive has agreed that in addition to his or her regular duties the Executive will, in the best interests of the Corporation and its shareholders and as requested by the Board, assist the Corporation in the evaluation of any such takeover or tender offer proposal or potential combination or acquisition and render such other assistance in connection therewith as the Board may determine to be appropriate, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto agree as follows:

1. Services During Certain Events.

In the event any Person begins a tender or exchange offer, circulates a proxy to shareholders, or takes other steps seeking to effect a Change of Control (as hereinafter defined), the Executive will not voluntarily terminate his or her employment with the Corporation or a Subsidiary, as the case may be, and will continue to render services to the Corporation or such Subsidiary until such Person has abandoned or terminated efforts to effect a Change of Control or until 180 days after a Change of Control has occurred; provided, however, that this Section 1 shall

not apply if an Executive experiences a Termination (as defined in Section 3(a)).

2. Definitions.

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

(b) "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 which are properly filed on a Form 13-G.

(c) A "Change of Control" shall be deemed to have taken place upon the occurrence of any of the following events:

(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 the date hereof, constitute 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 stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof 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) a merger or consolidation which would result in the voting securities of the Corporation outstanding immediately prior to such merger or consolidation continuing 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) a 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 stockholders 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 stockholders of the Corporation in substantially the same proportions as their ownership of the Corporation immediately prior to such transaction or series of transactions.

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

(e) "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 stockholders of the Corporation in substantially the same proportions as their ownership of stock of the Corporation.

(f) A "Potential Change of Control" shall be deemed to have occurred if the event set forth in any one of the following paragraphs shall have occurred:

(i) the Corporation enters into an agreement, the consummation of which would result in the occurrence of a Change of Control;

(ii) the Corporation or any Person publicly announces an intention to take or to consider taking actions which, if consummated, would constitute a Change of Control;

(iii) any Person becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation representing 15% 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 (not including in the securities beneficially owned by such Person any securities acquired directly from the Corporation or its Affiliates); or

(iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change of Control has occurred.

3. Termination After Change of Control.

(a) No benefits shall be payable under this Agreement except in the event of a Termination. For purposes of this Agreement, a Termination shall be deemed to have occurred if any of the following events occur within 18 months after a Change of Control:

(i) The termination by the Corporation or a Subsidiary, as the case may be, of the Executive's employment for any reason other than Cause (as defined herein), death or Disability (as defined herein).

(ii) The termination by the Executive of the Executive's employment for Good Reason. Good Reason shall be deemed to exist upon the occurrence, without the Executive's express written consent, of any of the following events:

(A) A significant reduction or alteration in the duties and responsibilities held by the Executive prior to the Change of Control, or a change in the Executive's reporting responsibilities, titles or status in effect immediately prior to the Change of Control, or any removal of the Executive from or any failure to reelect the Executive to any positions held by the Executive immediately prior to the Change of Control, except in connection with the termination of the Executive's employment for Cause, Disability or death; or

(B) The reduction of the Executive's base salary and/or incentive compensation opportunity from that in effect immediately prior to the Change of Control or as the same may be increased thereafter from time to time, which is not remedied within 30 days after receipt by the Corporation of written notice from the Executive; or the Executive's being required to be based in any location that is more than thirty (30) miles from the location at which the Executive was based immediately prior to the Change of Control, except for required travel on business to an extent substantially consistent with the Executive's business travel obligations immediately prior to the Change of Control; or

(C) The failure by the Corporation to continue in effect any benefit or compensation plan in which the Executive is participating immediately prior to the Change of Control, the taking of any action by the Corporation which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any of such plans, or deprive the Executive of any material fringe benefit enjoyed by the Executive prior to the Change of Control, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan and the Executive's participation therein, or the failure by the Corporation to provide the Executive with vacation time to which the Executive is then entitled in accordance with the Corporation's normal vacation policy in effect on the date hereof; or

(D) the failure by the Corporation to pay to the Executive any portion of the Executive's current compensation, or to pay to the Executive any portion of an installment of deferred compensation under any deferred compensation program of the Corporation, within five (5) days of the date such compensation is due; or

(E) any purported termination of the Executive's employment which is not effected pursuant to a written notice of termination; or

(F) failure of the Corporation to obtain assumption of this Agreement by any successor to the Corporation.

(b) A Termination also shall have occurred if the Executive's employment with the Corporation or a Subsidiary, as the case may be, is terminated for any reason other than Cause (as defined herein), death or Disability (as defined herein) after a Potential Change of Control has occurred, provided the Termination is at the direction of the acquiring entity or other third party otherwise involved in the event causing the Potential Change of Control and the Termination occurs within the six (6) month period preceding the actual occurrence of a Change of Control.

(c) The termination of the Executive's employment shall be deemed to have been for Cause only if the termination shall have been based on (i) the Executive having willfully and continually failed to perform substantially his or her duties with the Corporation (other than such

failure resulting from incapacity due to physical or mental illness, death or Disability) after not less than twenty (20) days have expired following a written demand for substantial performance has been delivered to the Executive by the Board or the President of the Corporation which specifically identifies the manner in which the Executive is not substantially performing his or her duties; or (ii) the Executive having willfully engaged in conduct which is materially and demonstrably injurious to the Corporation. For purposes of this section, no act, or failure to act, on the part of the Executive shall be considered "willful" unless done, or omitted to be done, by the Executive in bad faith and without reasonable belief that such action or omission was in, or not opposed to, the best interests of the Corporation. Any act or failure to act based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel to the Corporation shall be conclusively presumed to be done or omitted to be done by the Executive in good faith and in the best interests of the Corporation. Notwithstanding the foregoing, the Executive shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to the Executive a copy of a written resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board at a meeting called and held for that purpose after reasonable notice to and opportunity for the Executive and the Executive's counsel to be heard by the Board, finding that the Executive was guilty of the conduct set forth above in (i) or (ii) and specifying the particulars thereof in detail.

(d) Disability shall mean the Executive's absence from the performance of duties on a full time basis for one hundred eighty (180) consecutive days as a result of the Executive's incapacity due to physical or mental illness, unless, within thirty (30) days after notice of termination due to disability is given to the Executive following such absence, the Executive shall have returned to the full time performance of duties.

4. Severance Benefits.

Upon Termination and upon the written demand of the Executive, the Executive shall be entitled to, and the Corporation shall provide the Executive immediately with, the following severance benefits (the "Severance Benefits"):

(a) Payment to the Executive as compensation for services rendered to the Corporation of a lump sum cash amount (the "Lump Sum Amount") equal to three times the sum of (a) the Executive's base salary as in effect immediately prior to the date of termination or, if higher, in effect immediately prior to the first occurrence of an event or circumstance constituting Good Reason, and (b) the average annual bonus earned by the Executive pursuant to any annual bonus or incentive plan maintained by the Corporation in respect of the three fiscal years ending immediately prior to the fiscal year in which occurs the date of termination or, if higher, immediately prior to the fiscal year in which occurs the Change of Control (but excluding therefrom any amounts paid or accrued under the Dover Corporation Cash Performance Program).

(b) The Executive's participation in the life, accident and health insurance plans of the Corporation prior to the Change of Control shall be continued without interruption, or equivalent benefits provided by the Corporation, at no direct cost to the Executive, for a period of three years from the date of Termination.

5. Stock Option and Other Plans.

The rights of the Executive at the date of Termination under the Corporation's stock option, savings, cash performance, deferred compensation, retirement and other incentive and benefit plans or programs, including but not limited to any terminating distributions and vesting of rights under such plans or programs or awards or grants thereunder shall be governed by the terms of those respective plans or programs and any agreements relating to such plans or programs.

6. Term.

This Agreement shall commence on the date hereof and shall continue in effect until the one year anniversary thereof; provided, however, that commencing on the date of such anniversary, the term of this Agreement shall automatically be extended for one additional year unless at least 180 days prior to the last day of any term, the Corporation or the Executive shall have given notice that this Agreement shall not be extended; and provided, further, that this Agreement shall continue in effect for a period of eighteen months beyond the term provided herein if a Change of Control of the Corporation shall have occurred during such term.

7. Indemnification.

If litigation or arbitration shall be brought to enforce or interpret any provision contained herein, whether by the Corporation, the Executive, or any other person, the Corporation will indemnify the Executive for any reasonable attorneys' fees and disbursements incurred by the Executive in such litigation or arbitration, and hereby agrees to pay pre-judgment interest on any money judgment obtained by the Executive in such litigation or arbitration calculated at the prime interest rate charged by Chase Manhattan Bank, New York, New York in effect from time to time from the date that payment to the Executive should have been made under this Agreement.

8. Confidentiality.

The Executive shall retain in confidence any proprietary or confidential information known to the Executive concerning the Corporation and its subsidiaries and their respective businesses so long as such information is not publicly available, except as shall be required by law or as shall be reasonably necessary for disclosure to the Executive's legal advisors.

9. Taxes.

If any payments or benefits received or to be received by the Executive in connection with a Change of Control or the Executive's termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Corporation or any Subsidiary or affiliate of the Corporation or any successor to any of them, any Person whose actions result in a Change of Control or any Person affiliated with the Corporation or such Person) (such payments or benefits, excluding the Gross-Up Payment (as defined below) being hereinafter referred to as the "Total Payments") shall be subject to the Excise Tax (as defined below) on such Total Payments, then the Corporation shall pay to the Executive an additional amount (the "Gross-Up Payment") such that the portion of the Gross-Up Payment retained by the Executive, after the deduction of all taxes payable by the Executive on the Gross-Up Payment and interest and penalties on such taxes, including, without limitation, any income and employment taxes and the Excise Tax imposed on the Gross-Up Payment (and any interest and penalties imposed with respect thereto), shall be equal to the Reimbursable Excise Tax (as defined below) (and any interest and penalties imposed with

respect thereto).

As used herein, (i) Excise Tax shall mean the tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended ("Code") or any successor provision of the Code, together with any interest and penalties with respect thereto; (ii) Reimbursable Excise Tax shall be the amount of the Excise Tax on the Taxable Amount (as defined below) determined as if the Taxable Amount were the only portion of the Total Payments on which the Excise Tax is imposed; and (iii) Taxable Amount shall be the Lump Sum Amount as reduced by the "base amount" determined pursuant to Section 280G(b)(3) of the Code.

In the event that the Executive and the Corporation dispute whether there should be any reduction in payments pursuant to this Section 9, the determination of whether such reduction is necessary shall be made by an independent accounting firm or law firm mutually acceptable to the Executive and the Corporation and such determination shall be conclusive and binding on the Corporation and the Executive.

10. General.

(a) Obligations of the Corporation. In the event that the Executive is employed by a Subsidiary, the Corporation, while remaining as primary obligor, may cause such Subsidiary to perform the Corporation's obligations hereunder.

(b) Payment Obligations Absolute. The Corporation's obligation to pay the Executive the amounts due hereunder and to make the arrangements provided for herein shall be absolute and unconditional and shall not be affected by any circumstances, including without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against him or anyone else under this Agreement or otherwise. Each and every payment made hereunder by the Corporation shall be final and the Corporation will not seek to recover all or any part of such payment from the Executive or from whomsoever may be entitled thereto for any reason whatsoever. In no event shall the Executive be obligated to seek other employment in mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, and the obtaining of any such other employment shall in no event effect any reduction of the Corporation's obligation to make the payments and arrangements required to be made under this Agreement.

(c) Successors; Binding Agreement.

(i) As used in this Agreement, the Corporation refers not only to itself but also to its successors by merger or otherwise. The Corporation will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of its business and/or assets, by written agreement in binding form and substance, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Corporation would be required to perform it if no such succession had occurred. Failure of the Corporation to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement, and shall entitle the Executive to make demand upon and require the Corporation, if it is not already required to do so, to provide the Severance Benefits required by Section 4 above.

(ii) This Agreement shall be binding upon and inure to the benefit of the Executive and his or her estate and to the benefit of the Corporation and any successor to the

Corporation, but neither this Agreement nor any rights arising hereunder may be assigned or pledged by the Executive.

(d) Severability. Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective, and then only to the extent of such prohibition or unenforceability without affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(e) Controlling Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without reference to the principles of conflict of laws, except insofar as it may require application of the corporation law of the State of Delaware.

(f) Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand to the other party, or sent by registered or certified mail, return receipt requested, postage prepaid, addressed to the respective party at the address stated below or to such other address as the addressee may have given by a similar notice:

If to the Executive:

If to the Corporation:

Dover Corporation
280 Park Avenue
New York, New York 10017
Attention: Chief Executive Officer

(g) Amendment. This Agreement may be modified or amended only by an agreement in writing executed by both of the parties hereto.

(h) No Employment. Except as otherwise expressly provided in this Agreement, this Agreement shall not confer any right or impose any obligation on the Executive to continue in the employ of the Corporation nor shall it limit the right of the Corporation or the Executive to terminate the Executive's employment at any time prior to a Change of Control.

(i) Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration in New York, New York by three arbitrators, of which each party shall appoint one, in accordance with the Center for Public Resources Rules for Non-Administered Arbitration of Business Disputes then in effect. Any arbitrator not appointed by a party shall be selected from the CPR Panels of Distinguished Neutrals. The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. ss.ss.1 to 16. Judgment may be entered on the arbitrators' award in any court having jurisdiction. The Corporation shall bear all costs and expenses arising in connection with any arbitration proceeding pursuant hereto. The arbitrators are not empowered to award damages in excess of actual damages. Notwithstanding anything to the

contrary herein, in any dispute involving whether a Termination was for Good Reason or for Cause, as the case may be, the Corporation shall have the obligation to present its case by establishing, and shall prevail in the proceeding only if and to the extent it establishes, with clear and convincing evidence that the Termination was in fact not as the result of Good Reason or was for Cause, as the case may be.

(j) Conflict in Benefits. This Agreement is not intended to and shall not repeal or terminate any other written agreement between the Executive and the Corporation presently in effect or hereafter executed. Any benefits provided hereunder and not provided under any other written agreement shall be in addition to the benefits provided by any other written agreement. In the event that the same type of benefits are covered under this Agreement and under any other written agreement, the Executive shall have the right to elect which benefits the Executive shall receive. Such election shall be made in writing at the same time that the Executive makes written demand under Section 4 of this Agreement.

(k) Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, understandings and arrangements, whether written or oral, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

EXECUTIVE

DOVER CORPORATION

By: -----

SUBSIDIARIES OF DOVER

Domestic Subsidiaries

Name - - - - -	State of Incorporation -----
A-C Compressor Corporation	Delaware
Arizona Elevator, Inc.	Delaware
Avtec Industries, Inc.	Delaware
Belvac Production Machinery, Inc.	Virginia
Chief Automotive Systems, Inc.	Delaware
Communications Techniques, Inc.	Delaware
Conmec, Inc.	Delaware
Davenport Machine, Inc.	Delaware
DEK U.S.A., Inc.	Delaware
Delaware Capital Formation, Inc.	Delaware
Delaware Capital Holdings, Inc.	Delaware
Dielectric Laboratories, Inc.	Delaware
Dover Diversified, Inc.	Delaware
Dover Elevator Company	Delaware
Dover Elevator International, Inc.	Delaware
Dover Elevator Systems, Inc.	Delaware
Dover Europe Corporation	Delaware
Dover France Holdings Corp.	Delaware
Dover Industries, Inc.	Delaware
Dover Resources Inc.	Delaware
Dover Technologies International, Inc.	Delaware
Dow-Key Microwave, Inc.	Delaware
Duncan Industries Parking Control Systems Corp.	Delaware
Everett Charles Technologies, Inc.	Delaware
General Elevator Company, Inc.	Maryland
Groen, Inc.	Delaware
Hill Phoenix Inc.	Delaware
Hydro Systems Company	Delaware
K&L Microwave, Inc.	Delaware
Marathon Equipment Company	Delaware
Mark Andy, Inc.	Missouri
Miami Elevator Company	Delaware
Midland Manufacturing Company	Delaware
Pathway Bellows, Inc.	Delaware
Petro Vend, Inc.	Delaware
PDQ Manufacturing, Inc.	Delaware
PRC Corporation	Delaware
Preco Turbine and Compressor Services, Inc.	Texas
Quartzdyne, Inc.	Delaware
Randell Manufacturing, Inc.	Delaware
Refrigeration Systems, Inc.	Delaware
Revod Corporation	Delaware
Robohand, Inc.	Delaware
Ronningen-Petter	Delaware
Security Elevator Company, Inc.	Delaware
Sonic Industries, Inc.	California
Sound Elevator Co.	Delaware
Sanger Works Factory Holdings, Inc.	California

Name - - - - -	State of Incorporation -----
Texas Hydraulics, Inc.	Delaware
The Heil Company	Delaware
The Wittemann Company, Inc.	Delaware
Thermal Equipment Corporation	California
Tipper Tie, Inc.	Delaware
TNI, Inc.	Delaware
Tranter, Inc.	Michigan
Tulsa-Winch, Inc.	Delaware
Universal Instruments Corporation	Delaware
Vectron Laboratories, Inc.	Delaware
Vectron Technologies, Inc.	Delaware
Vitronics Corporation	Delaware
Waukesha Bearings Corporation	Wisconsin
Weldcraft Products, Inc.	Delaware
Wilden Pump and Engineering Company, Inc.	Delaware
Wiseco Piston Company, Inc.	Delaware

Foreign Subsidiaries

Name - - - - -	Jurisdiction -----
atg test systems GmbH	Germany
DEK Printing Machines Ltd.	United Kingdom
Dover Corporation (Canada) Ltd.	Canada
Dover Europe Afzug GmbH	Germany
Dover Europe GmbH	Germany
Dover Exports, Ltd.	Barbados
Dover France Holdings SARL	France
Dover International Finance Services Ltd.	United Kingdom
Dover UK Holdings Ltd.	United Kingdom
HTT Heat Transfer Technologies, S.A.	Switzerland
Imaje S.A.	France
Imaje GmbH	Germany
Langbein & Engelbracht, GmbH	Germany
Luther & Maezler GmbH	Germany
Soltec International, B.V.	Netherlands
SWEP International AB	Sweden
SWEP Technologies AB	Sweden
Universal Electronics Systems H.K. Ltd.	Hong Kong

Other subsidiaries of the Registrant have been omitted from this listing since, considered in the aggregate as a single subsidiary, they would not constitute a "significant subsidiary".

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in (a) the Registratioin Statement of Dover Corporation on Form S-8 (File No. 33-45661), (b) the Registration Statement of Dover Corporation on Form S-8 (File No. 33-11229), and (c) the Registration Statement of Dover Corporation on Form S-8 (File No. 33-1419), of our report dated February 5, 1999, on our audits of the consolidated financial statements and financial statement schedule of Dover Corporation and subsidiaries as of December 31, 1998 and 1997, and for the years ended December 31, 1998, 1997 and 1996, which report is included in this Annual Report on Form 10-K.

PricewaterhouseCoopers LLP

New York, New York
March 26, 1999

P O W E R O F A T T O R N E Y

KNOW ALL MEN BY THESE PRESENTS that, a director of Dover Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Thomas L. Reece, John F. McNiff and Robert G. Kuhbach, and each of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, for him/her on his/her behalf and in his/her name, place and stead, to sign, execute and affix his/her name thereto and file the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, with the Securities and Exchange Commission and any other appropriate authority, granting unto said attorneys and each of them, full power and authority to do and perform each and every act and thing required and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he/she himself might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, of any of them may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this 29th day of January, 1999.

/s/ David H. Benson

David H. Benson

/s/ Magalen O. Bryant

Magalen O. Bryant

/s/ John-Pierre M. Ergas

John-Pierre M. Ergas

/s/ Roderick J. Fleming

John-Pierre Ergas

/s/ James L. Koley

James L. Koley

/s/ John F. McNiff

John F. McNiff

/s/ John E. Pomeroy

John E. Pomeroy

/s/ Thomas L. Reece

Thomas L. Reece

/s/ Gary L. Roubos

Gary L. Roubos

This Schedule contains summary financial information extracted from the Dover Corporation Annual Report to stockholders for the fiscal year ended December 31, 1998, and is qualified in its entirety by reference to such financial statements.

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YEAR	
	DEC-31-1998
	JAN-01-1998
	DEC-31-1998
	96,774
	0
	596,585
	20,955
	559,267
	1,304,524
	1,282,436
	710,473
	3,627,276
989,747	
	610,090
0	
	0
	235,571
	1,675,313
3,627,276	
	3,977,666
	3,977,666
	2,551,381
	3,445,706
	(3,124)
	0
	60,746
	488,646
	162,249
	326,397
	52,448
	0
	0
	378,845
	1.70
	1.69