

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 fiscal year ended December 31, 2009

Commission File No. 1-4018

Dover Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

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

280 Park Avenue New York, N.Y. 10017
(Address of principal executive offices)

Telephone: (212) 922-1640

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

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$1	New York Stock Exchange

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 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.

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

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

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of the close of business June 30, 2009 was \$6,159,218,863. The registrant's closing price as reported on the New York Stock Exchange-Composite Transactions for June 30, 2009 was \$33.09 per share. The number of outstanding shares of the registrant's common stock as of February 11, 2010 was 187,232,126.

Documents Incorporated by Reference: Part III — Certain Portions of the Proxy Statement for Annual Meeting of Shareholders to be held on May 6, 2010 (the "2010 Proxy Statement").

Special Notes Regarding Forward-Looking Statements

This Annual Report on Form 10-K, especially "Management's Discussion and Analysis of Financial Condition and Results of Operations", contains "forward-looking" statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, industries in which Dover companies operate and the U.S. and global economies. Statements in this Form 10-K that are not historical are hereby identified as "forward-looking statements" and may be indicated by words or phrases such as "anticipates," "supports," "indicates," "suggests," "will," "plans," "projects," "expects," "believes," "should," "would," "could," "hope," "forecast," "management is of the opinion," use of the future tense and similar words or phrases. Forward-looking statements are subject to inherent risks and uncertainties that could cause actual results to differ materially from current expectations including, but not limited to: current economic conditions and uncertainties in the credit and capital markets; the Company's ability to achieve expected savings from integration, synergy and other cost-control initiatives; the ability to identify and successfully consummate value-adding acquisition opportunities; increased competition and pricing pressures in the markets served by Dover's operating companies; the ability of Dover's companies to expand into new geographic markets and to anticipate and meet customer demands for new products and product enhancements; increases in the cost of raw materials; changes in customer demand; political events that could impact the worldwide economy; the impact of natural disasters and their effect on global energy markets; a downgrade in Dover's credit ratings; international economic conditions including interest rate and currency exchange rate fluctuations; the relative mix of products and services which impacts margins and operating efficiencies; short-term capacity constraints; domestic and foreign governmental and public policy changes including environmental regulations and tax policies (including domestic and international export subsidy programs, research and experimentation credits and other similar programs); unforeseen developments in contingencies such as litigation; protection and validity of patent and other intellectual property rights; the cyclical nature of some of Dover's companies; domestic housing industry weakness; and possible future terrorist threats and their effect on the worldwide economy. Readers are cautioned not to place undue reliance on such forward-looking statements. These forward-looking statements speak only as of the date made. 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, except as required by law.

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

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PART 1**Item 1. Business****Overview**

Dover Corporation (“Dover” or the “Company”), incorporated in 1947 in the State of Delaware, became a publicly traded company in 1955. The Company owns and operates a global portfolio of manufacturing companies providing innovative components and equipment, specialty systems and support services for a variety of applications in the industrial products, engineered systems, fluid management and electronic technologies markets. Additional information is contained in Items 7 and 8.

Operating Structure

The Company reports its results in four business segments — Industrial Products, Engineered Systems, Fluid Management and Electronic Technologies. The Company discusses its operations at the platform level within the Industrial Products, Engineered Systems, and Fluid Management segments, each of which contains two platforms. The results of Electronic Technologies are discussed at the segment level. Dover companies design, manufacture, assemble and/or service the following:

Industrial Products

- Material handling equipment such as industrial and recreational winches, utility, construction and demolition machinery attachments, hydraulic parts, industrial automation tools, four-wheel-drive (“4WD”) and all-wheel drive (“AWD”) power train systems, accessories for off-road vehicles and operator cabs and rollover structures.
- Mobile equipment related products, primarily refuse truck bodies, tank trailers, compactors, balers, vehicle service lifts and collision equipment, car wash systems, internal engine components, fluid control assemblies and various aerospace components.

Engineered Systems

- Engineered products such as refrigeration systems, refrigeration display cases, walk-in coolers, foodservice equipment, commercial kitchen air and ventilation systems, heat transfer equipment, and food and beverage packaging machines.
- Product identification related products such as industrial marking and coding systems used to code information (i.e. dates and serial numbers) on consumer products, printing products for cartons used in warehouse logistics operations, bar code printers and portable printers.

Fluid Management

- Energy market production and distribution products such as sucker rods, drill bit inserts for oil and gas exploration, gas well production control devices, control valves, piston and seal rings, control instrumentation, remote data collection and transfer devices, and components for compressors, turbo machinery, motors and generators.
- Fluid solution products including nozzles, swivels and breakaways used to deliver various types of fuel, suction system equipment, unattended fuel management systems, integrated tank monitoring, pumps used in fluid transfer applications, quick disconnect couplings used in a wide variety of biomedical and commercial applications, and chemical proportioning and dispensing systems.

Electronic Technologies

- Electronic technology equipment and devices/components such as advanced micro-component products for the hearing aid and consumer electronics industries, high frequency capacitors, microwave electromagnetic

switches, radio frequency and microwave filters, electromagnetic products, frequency control/select components and sophisticated automated assembly and testing equipment.

Business Strategy

The Company operates with certain fundamental business strategies. First, it seeks to acquire and own businesses that manufacture proprietary engineered industrial products and are leaders in four broad markets: Industrial Products, Engineered Systems, Fluid Management and Electronic Technologies. To ensure success, Dover companies place strong emphasis on new product development to better serve customers and expand into new product and geographic markets. Second, the Company's businesses are committed to operational excellence, and to being market leaders as measured by market share, customer service, innovation, profitability and return on invested capital. Third, the Company is committed to an operating culture with high ethical standards, trust, respect and open communication, to allow individual growth and operational effectiveness. Fourth, the Company seeks to utilize its strong free cash flow in a balanced manner to grow its businesses and to increase shareholder value.

Management Philosophy

The Company's operating structure of four defined industry segments and six core business platforms within those segments drives focused acquisition activity, accelerates opportunities to identify and capture operating synergies, including global sourcing and supply chain integration, and advances the development of the Company's executive talent. The presidents of the Company's operating companies and groups have responsibility for their businesses' performance as they are able to serve customers by focusing closely on their products and markets and reacting quickly to customer needs. The Company's segment and executive management set strategic direction and initiatives, provide oversight, allocate and manage capital, are responsible for major acquisitions and provide other services.

In addition, the Company is committed to creating value for its customers, employees and shareholders through sustainable business practices that protect the environment and the development of products that help its customers meet their sustainability goals. Dover companies are increasing their focus on efficient energy usage, greenhouse gas reduction and waste management as they strive to meet the global environmental needs of today and tomorrow.

Company Goals

The Company is committed to driving shareholder return through three key objectives. First, the Company is committed to achieving annual sales growth of 7% to 10% which includes 4% to 5% through-cycle organic growth. The balance of sales growth is expected to be achieved from disciplined acquisitions. Secondly, the Company continues to focus on margin improvement activities and to expand return on invested capital to effectuate earnings per share growth ranging from 10% to 13% on an annual basis. Lastly, the Company is committed to generating free cash flow as a percentage of sales in excess of 10% through disciplined capital allocation and active working capital management. The Company supports these goals through (1) alignment of management compensation with these objectives, (2) a well defined and actively managed merger and acquisition processes, and (3) talent development programs.

Portfolio Development

Acquisitions

The Company's acquisition program has two elements. First, it seeks to acquire value creating add-on businesses that broaden its existing companies and their global reach, manufacture innovative components and equipment, specialty systems and/or support services, and sell to industrial or commercial users. Second, in the right circumstances, it will strategically pursue larger, stand-alone businesses that have the potential to either complement its existing companies or allow the Company to pursue a new platform. During the period from 2007 through 2009, the Company purchased 17 businesses with an aggregate cost of \$605.8 million.

In 2009, the Company acquired six add-on businesses, for aggregate consideration of \$228.4 million (including \$6.4 million of consideration paid in the form of common stock issued in connection with the acquisition of Inpro/Seal Company). In 2008, the Company acquired four add-on businesses for an aggregate cost of \$103.8 million, and in 2007, the Company acquired seven add-on businesses for an aggregate cost of \$273.6 million.

For more details regarding acquisitions completed over the past two years, see Note 2 to the Consolidated Financial Statements in Item 8. The Company's future growth depends in large part on finding and acquiring successful businesses, as a substantial number of the Company's current businesses operate in relatively mature markets. While the Company expects to generate annual organic growth of 4% - 5% over a business cycle absent extraordinary economic conditions, sustained organic growth at these levels for individual businesses is difficult to achieve consistently each year.

Dispositions

While the Company generally expects to hold and integrate businesses that it buys, it continually reviews its portfolio to verify that those businesses continue to be essential contributors to the Company's long-term growth strategy. Occasionally the Company may also make an opportunistic sale of one of its companies based on specific market conditions and strategic considerations. During the past three years (2007- 2009), the Company decided to reduce its exposure to small, lower margin operations, and, accordingly, it discontinued 7 operations and sold 10 businesses for an aggregate consideration of approximately \$187.3 million. For more details, see the "Discontinued Operations" discussion below and Note 3 to the Consolidated Financial Statements in Item 8.

Reportable Segments

Below is a description of the Company's reportable segments and related platforms. For additional financial information about the Company's reportable segments, see Note 14 to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Industrial Products

The Industrial Products segment provides Material Handling products and services that improve its customers' productivity as well as products used in various Mobile Equipment applications primarily in the transportation equipment, vehicle service and solid waste management markets. The segment manages and sells its products and services through two business platforms described below.

Material Handling

The Material Handling platform primarily serves two global markets — infrastructure and industrial automation. The companies in this platform develop and manufacture branded customer productivity enhancing systems. These products are produced in the United States, Germany, Thailand, India, China, Brazil and France and are marketed globally on a direct basis to original equipment manufacturers (OEMs) and through a global dealer and distribution network to industrial end users.

The Material Handling platform companies in the infrastructure market sell to broad segments of the construction, utility, demolition, recycling, scrap processing, material handling, forestry, energy, military, marine, towing/recovery, refuse, mining and automotive OEM markets. Major products include mobile shears, concrete demolition tools, buckets, backhoes, trenchers, augers, worm gear and planetary winches, and hydraulic lift and electronic control/monitoring systems for mobile and structural cranes, 4WD and AWD power train systems, accessories for off-road vehicles and operator cabs and rollover structures. These products are sold to OEMs and extensive dealer networks primarily in North America. Components systems and services are also provided for military vehicles and marine applications.

The Material Handling platform companies in the industrial automation market provide a wide range of modular automation components including manual clamps, power clamps, rotary and linear mechanical indexers, conveyors, pick and place units, as well as end-of-arm robotic grippers, slides and end effectors. These products serve a very broad market including food processing, packaging, paper processing, medical, electronic, automotive, nuclear, and general industrial products. These businesses generate almost half of their revenues outside the U.S.

Mobile Equipment

The Mobile Equipment platform serves three primary markets — transportation equipment, solid waste management and vehicle service. The companies in this platform manufacture tank trailers, specialty trailers, refuse collection

bodies (garbage trucks), container lifts, on-site waste management and recycling systems, vehicle service lifts, touch-free and friction vehicle wash systems, vehicle collision measuring and repair systems, aerospace and submarine related fluid control assemblies, high strength fasteners and bearings, internal jet engine components and accessories, precision components for commercial and military aerospace equipment and commercial aerospace after market services. The businesses also provide components for off-road sports vehicles and high performance automotive and power-sport vehicles. The platform has manufacturing operations in North and South America, Asia and Europe.

The businesses in the transportation equipment market manufacture and sell aluminum, stainless steel and steel tank trailers that carry petroleum products, chemical, edible and dry bulk products, as well as specialty trailers focused on the heavy haul, oil field and recovery markets. Trailers are marketed both directly and indirectly through distributors to customers in the construction, trucking, railroad, oilfield and heavy haul industries. These products are also sold to government agencies in the United States and globally.

The businesses in the solid waste management market provide products and services for the refuse collection industry and for on-site processing and compaction of trash and recyclable materials. Products are sold to municipal customers, national accounts and independent waste haulers through a network of distributors and directly in certain geographic areas. The on-site waste management and recycling systems include a variety of stationary compactors, wire processing and separation machines, and balers that are manufactured and sold primarily in the U.S. to distribution centers, malls, stadiums, arenas, office complexes, retail stores and recycling centers.

The businesses in the vehicle service market provide a wide range of products and services that are utilized in vehicle services, maintenance, repair and modification. Vehicle lifts and collision equipment are sold through equipment distributors and directly to a wide variety of markets, including independent service and repair shops, collision repair shops, national chains and franchised service facilities, new vehicle dealers, governments, and directly to consumers via the internet. Car wash systems, both "touch-free" and "friction", are sold primarily in the United States and Canada to major oil companies, convenience store chains and individual investors. These products are sold through a distribution network that installs the equipment and provides after sale service and support. High performance internal combustion engine components, including pistons, connecting rods, crankshafts and accessories, and fuel and combustion management devices are designed to meet customer specifications for the racing and enthusiast markets in both the powersports and automotive market segments. These products are sold directly and through distribution networks on a global basis.

Engineered Systems

The Engineered Systems segment provides products and services for the refrigeration, storage, packaging and preparation of food products, as well as industrial marking and coding systems for various markets. The segment serves its markets by managing these products and services through two business platforms which are described below.

Product Identification

The Product Identification platform ("PI") is a worldwide supplier of industrial marking and coding systems that serves food, beverage, cosmetic, pharmaceutical, electronic, automotive and other markets where variable marking is required. Its primary printing products are used for marking variable information (such as date codes or serial numbers) on consumer products. PI provides solutions for product marking on primary packaging, secondary packaging such as cartons, and pallet marking for use in warehouse logistics operations. PI also manufactures bar code printers and portable printers used where on demand labels/receipts are required. The PI principal manufacturing facilities are in the United States, France and China with sales operations globally.

Engineered Products

The Engineered Products platform manufactures refrigeration systems, refrigeration display cases, walk-in coolers and freezers, electrical distribution products and engineering services, commercial foodservice equipment, cook-chill production systems, custom food storage and preparation products, kitchen ventilation systems, conveyer systems, beverage can-making machinery, and packaging machines used for meat, poultry and other food products. In addition, the platform manufactures copper-brazed compact heat exchangers, and designs

software for heating and cooling substations. The platform's manufacturing facilities and distributing operations are in North America, Europe and Asia.

The majority of the systems and machinery that are manufactured or serviced by the Engineered Products platform is used by the supermarket industry, "big-box" retail and convenience stores, the commercial/industrial refrigeration industry, institutional and commercial foodservice markets, and beverage can-making industries. The commercial foodservice cooking equipment products serve their markets worldwide through a network of dealers, distributors, national chain accounts, manufacturer representatives, and a direct sales force with the primary market being North America. The heat exchangers are sold via a direct sales force throughout the world for various applications in a wide variety of industries.

Fluid Management

The Fluid Management segment provides products and services for end-to-end stewardship of its customers' critical fluids including liquids, gases, powders and other solutions that are hazardous, valuable or process-critical. The segment provides highly engineered, cost-saving technologies that help contain, control, move, measure and monitor these critical fluids. To better serve its end-markets, these products and services are channeled through two business platforms described below.

Energy

The Energy platform serves the oil, gas and power generation industries. Its products promote the efficient and cost-effective extraction, storage and movement of oil and gas products, or constitute critical components for power generation equipment. Major products manufactured by companies within this platform include: polycrystalline diamond cutters (PDCs) used in drill bits for oil and gas wells; steel sucker rods, plunger lifts, and accessories used in artificial lift applications in oil and gas production; pressure, temperature and flow monitoring equipment used in oil and gas exploration and production applications; and control valves and instrumentation for oil and gas production. In addition, these companies manufacture various compressor parts that are used in the natural gas production, distribution and oil refining markets, as well as bearings and remote condition monitoring systems that are used for rotating machinery applications such as turbo machinery, motors, generators and compressors used in energy, utility, marine and other industries. Sales are made directly to customers and through various distribution channels. Sales are predominantly in North America with international sales directed largely to Europe and South America.

Fluid Solutions

The Fluid Solutions platform manufactures pumps, compressors, vehicle fuel dispensing products, and products for the transfer, monitoring, measuring and protection of hazardous, liquid and dry bulk commodities. In addition, these companies manufacture quick disconnect couplings and chemical proportioning and dispensing products. The products are manufactured in the United States, South America, Asia and Europe and marketed globally through a network of distributors or via direct channels.

Vehicle fuel dispensing products include conventional, vapor recovery, and clean energy (LPG, CNG, and Hydrogen) nozzles, swivels and breakaways, as well as tank pressure management systems. Products manufactured for the transportation, storage and processing of hazardous liquid and dry-bulk commodities include relief valves, loading/unloading angle valves, rupture disc devices, actuator systems, level measurement gauges, swivel joints, butterfly valves, lined ball valves, aeration systems, industrial access ports, manholes, hatches, collars, weld rings and fill covers.

This platform's pumps and compressors are used to transfer liquid and bulk products and are sold to a wide variety of markets, including the refined fuels, LPG, pulp and paper, wastewater, food/sanitary, military, transportation and chemical process industries. These companies manufacture centrifugal, reciprocating (double diaphragm) and rotary pumps that are used in demanding and specialized fluid transfer process applications.

The quick disconnect couplings provide fluid control solutions to the industrial, food handling, life sciences and chemical handling markets. The chemical portioning and dispensing systems are used to dilute and dispense

concentrated cleaning chemicals and are sold to the food service, health care, supermarket, institutional, school, building service contractor and industrial markets.

Electronic Technologies

The Electronic Technologies segment designs and manufactures electronic test, material deposition and manual soldering equipment, advanced micro-acoustic components, and specialty electronic components. The products are manufactured primarily in North America, Europe and Asia and are sold throughout the world directly and through a network of distributors.

The test equipment products include machines, test fixtures and related products used in testing “bare” and “loaded” electronic circuit boards and semiconductors. In addition, the segment manufactures high-speed precision material deposition machines and other related tools used in the assembly process for printed circuit boards and other specialty applications as well as precision manual soldering, de-soldering and other hand tools.

The micro-acoustic components manufactured include audio communications components, primarily miniaturized microphones, receivers and electromechanical components for use in hearing aids as well as high performance transducers for use in professional audio devices, high-end headsets, medical devices and military headsets. This business also designs, manufactures and assembles microphones for use in the personal mobile device and communications markets, including mobile phones, PDAs, Bluetooth[®] headsets and laptop computers.

The specialty electronic components include frequency control/select components and modules employing quartz technologies, microwave electromechanical switches, radio frequency and microwave filters, integrated assemblies, multi-layer ceramic capacitors and high frequency capacitors. These components are sold to communication, medical, defense, aerospace and automotive manufacturers worldwide.

Discontinued Operations

Operating companies that are considered discontinued operations in accordance with Accounting Standards Codification (“ASC”) 360, Property Plant and Equipment, are presented separately in the consolidated statements of operations, balance sheets and cash flows and are not included in continuing operations. Earnings from discontinued operations include impairment charges, when necessary, to reduce these businesses to estimated fair value. Fair value is determined by using directly observable inputs, such as a negotiated selling price, or other valuation techniques that use market assumptions that are reasonable and supportable. All interim and full year reporting periods presented reflect the continuing operations on a comparable basis. Please refer to Note 3 to the Consolidated Financial Statements in Item 8 of this Form 10-K for additional information on discontinued operations.

Raw Materials

The Company’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. As a result, shortages or the loss of any single supplier have not had, and are not likely to have, a material impact on operating profits. While the needed raw materials are generally available, commodity pricing has trended upward over the past few years, particularly for various grades of steel, copper, aluminum and select other commodities. The Company has generally kept pace with or exceeded raw material cost increases using effective pricing strategies. During 2009, the Company generally experienced decreases in commodity prices.

Research and Development

The Company’s operating companies are encouraged to develop new products as well as to upgrade and improve existing products to satisfy customer needs, expand revenue opportunities domestically and internationally, maintain or extend competitive advantages, improve product reliability and reduce production costs. During 2009, \$178.3 million of expense was incurred for research and development, including qualified engineering costs, compared with \$189.2 million and \$193.2 million in 2008 and 2007, respectively.

Our operating companies in the Product Identification platform and Electronic Technologies segment expend significant effort in research and development because the rate of product development by their customers is often quite high. The companies that develop product identification equipment and specialty electronic components for the life sciences, datacom and telecom commercial markets believe that their customers expect a continuing rate of product innovation, performance improvement and reduced costs. The result has been that product life cycles in these markets generally average less than five years with meaningful sales price reductions over that time period.

The Company's other segments contain many businesses that are also involved in important product improvement initiatives. These businesses also concentrate on working closely with customers on specific applications, expanding product lines and market applications, and continuously improving manufacturing processes. Most of these businesses experience a much more moderate rate of change in their markets and products than is generally experienced by the Product Identification platform and the Electronic Technologies segment.

Intellectual Property and Intangible Assets

The Company owns many patents, trademarks, licenses and other forms of intellectual property, which have been acquired over a number of years and, to the extent relevant, expire at various times over a number of years. A large portion of the Company's intellectual property consists of patents, unpatented technology and proprietary information constituting trade secrets that the companies seek to protect in various ways, including confidentiality agreements with employees and suppliers where appropriate. In addition, a significant portion of the Company's intangible assets relate to customer relationships. While the Company's intellectual property and customer relationships are important to its success, the loss or expiration of any of these rights or relationships, or any group of related rights or relationships, is not likely to materially affect the Company on a consolidated basis. The Company believes that its companies' commitment to continuous engineering improvements, new product development and improved manufacturing techniques, as well as strong sales, marketing and service efforts, are significant to their general leadership positions in the niche markets that they serve.

Seasonality

In general, Dover companies, while not strongly seasonal, tend to have stronger revenue in the second and third quarters, particularly companies serving the consumer electronics, transportation, construction, waste hauling, petroleum, commercial refrigeration and food service markets. Companies serving the major equipment markets, such as power generation, chemical and processing industries, have long lead times geared to seasonal, commercial or consumer demands, and tend to delay or accelerate product ordering and delivery to coincide with those market trends.

Customers

Dover's companies serve thousands of customers, no one of which accounted for more than 10% of the Company's consolidated revenue in 2009. Similarly, within each of the four segments, no customer accounted for more than 10% of that segment's revenue in 2009.

With respect to the Engineered Systems, Fluid Management and Industrial Products segments, customer concentrations are quite varied. Companies supplying the waste handling, construction, agricultural, defense, energy, automotive and commercial refrigeration industries tend to deal with a few large customers that are significant within those industries. This also tends to be true for companies supplying the power generation, aerospace and chemical industries. In the other markets served, there is usually a much lower concentration of customers, particularly where the companies provide a substantial number of products as well as services applicable to a broad range of end use applications.

Certain companies within the Electronic Technologies segment serve the military, space, aerospace, commercial and datacom/telecom infrastructure markets. Their customers include some of the largest operators in these markets. In addition, many of the OEM customers of these companies within the Electronic Technologies segment outsource their manufacturing to Electronic Manufacturing Services ("EMS") companies. Other customers include global cell phone and hearing aid manufacturers, many of the largest global EMS companies, particularly in China, and major printed circuit board and semiconductor manufacturers.

Backlog

Backlog generally is not a significant long-term success factor in most of the Company's businesses, as most of the products of Dover companies have relatively short order-to-delivery periods. It is more relevant to those businesses that produce larger and more sophisticated machines or have long-term government contracts, primarily in the Mobile Equipment platform within the Industrial Products segment. Total Company backlog as of December 31, 2009 and 2008 was \$1,083.5 million and \$1,156.0 million, respectively. This reflects the decrease in global economic activity experienced during the latter half of 2008, which began to stabilize in the latter half of 2009.

Competition

The Company's competitive environment is complex because of the wide diversity of the products its companies manufacture and the markets they serve. In general, most Dover companies are market leaders that compete with only a few companies, and the key competitive factors are customer service, product quality and innovation. Dover companies usually have more significant competitors domestically, where their principal markets are, than in non-U.S. markets. However, Dover companies are becoming increasingly global where more competitors exist.

Certain companies in the Electronic Technologies and Engineered Systems segments compete globally against a variety of companies, primarily operating in Europe and the Far East.

International

For non-U.S. revenue and an allocation of the assets of the Company's continuing operations, see Note 14 to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Although international operations are subject to certain risks, such as price and exchange rate fluctuations and non-U.S. governmental restrictions, the Company continues to increase its expansion into international markets, including South America, Asia and Eastern Europe.

Most of the Company's non-U.S. subsidiaries and affiliates are based in France, Germany, the United Kingdom, the Netherlands, Sweden, Switzerland and, with increased emphasis, China, Malaysia, India, Mexico, Brazil and Eastern Europe.

Environmental Matters

The Company believes its companies' operations generally are in substantial compliance with applicable regulations. In a few instances, particular plants and businesses have been the subject of administrative and legal proceedings with governmental agencies or private parties relating to the discharge or potential discharge of regulated substances. Where necessary, these matters have been addressed with specific consent orders to achieve compliance. The Company believes that continued compliance will not have a material impact on the Company's financial position and will not require significant expenditures or adjustments to reserves.

Employees

The Company had approximately 29,300 employees in continuing operations as of December 31, 2009, which was a decline of approximately 9% from the prior year end, reflecting the Company's restructuring activities in response to an overall global economic slowdown.

Other Information

The Company makes available through the "Financial Reports" link on its Internet website, <http://www.dovercorporation.com>, the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to these reports. The Company posts each of these reports on the website as soon as reasonably practicable after the report is filed with the Securities and Exchange Commission. The information on the Company's Internet website is not incorporated into this Form 10-K.

Item 1A. *Risk Factors*

The Company's business, financial condition, operating results and cash flows can be impacted by a number of factors which could cause its actual results to vary materially from recent results or from anticipated future results. In general, the Company is subject to the same general risks and uncertainties that impact many other industrial companies such as general economic, industry and/or market conditions and growth rates; the impact of natural

disasters, and their effect on global energy markets; continued events in the Middle East and possible future terrorist threats and their effect on the worldwide economy; and changes in laws or accounting rules. The risk factors discussed in this section should be considered together with information included elsewhere in this Annual Report on Form 10-K and should not be considered the only risks facing the Company.

The Company has identified the following specific risks and uncertainties that it considers material:

• ***The Company's results for 2010 may continue to be impacted by current domestic and international economic conditions and uncertainties.***

In 2010, the Company's businesses may continue to be adversely affected by disruptions in the financial markets or declines in economic activity both domestically and internationally in those countries in which the Company operates. These circumstances will also impact the Company's suppliers and customers in various ways which could have an impact on the Company's business operations, particularly if global credit markets are not operating efficiently and effectively to support industrial commerce. Such negative changes in worldwide economic and capital market conditions are beyond the Company's control, are highly unpredictable, and can have an adverse effect on the Company's revenue, earnings, cash flows and cost of capital.

• ***Increasing price and product/service competition by international and domestic competitors, including new entrants and the ability of the Company to introduce new and competitive products could cause the Company's businesses to generate lower revenue, operating profits and cash flows.***

The Company's competitive environment is complex because of the wide diversity of the products that its companies manufacture and the markets they serve. In general, most Dover companies compete with only a few companies. The ability of Dover's companies to compete effectively depends on how successfully they anticipate and respond to various competitive factors, including new products and services that may be introduced by their competitors, changes in customer preferences, and pricing pressures. If Dover's companies are unable to anticipate their competitors' development of new products and services and/or identify customer needs and preferences on a timely basis or successfully introduce new products and services in response to such competitive factors, they could lose customers to competitors. If Dover's companies do not compete effectively, Dover companies may experience lower revenue, operating profits and cash flows.

• ***Some of Dover's companies may not anticipate, adapt to, or capitalize on technological developments and are subject to the cyclical nature of their industries. These factors could cause these companies to become less competitive and lead to reduced market share, revenue, operating profits and cash flows.***

Certain Dover companies, particularly in the Electronic Technologies segment, sell their products in industries that are constantly experiencing change as new technologies are developed. In order to grow and remain competitive, the companies in these industries must adapt to future changes in technology to enhance their existing products and introduce new products to address their customers' changing demands. Also, a meaningful portion of the Electronic Technologies segment's revenue is derived from companies that are subject to unpredictable short-term business cycles.

The Energy platform in the Fluid Management segment is subject to risk due to the volatility of energy prices, although overall demand is more directly related to depletion rates and global economic conditions and related energy demands. In addition, certain Dover businesses manufacture products that are used in or related to residential and commercial construction, which can be adversely affected by a prolonged downturn in new housing starts and other construction markets.

As a result of all the above factors, the revenue and operating performance of these companies in any one period are not necessarily predictive of their revenue and operating performance in other periods, and these factors could have a material impact on the Company's consolidated results of operations, financial position and cash flows.

• ***Our companies could lose customers or generate lower revenue, operating profits and cash flows if there are significant increases in the cost of raw materials (including energy) or if they are unable to obtain raw materials.***

Dover's companies purchase raw materials, subassemblies and components for use in their manufacturing operations, which exposes them to volatility in prices for certain commodities. Significant price increases for these

commodities could adversely affect operating profits for certain Dover companies. While the Company's businesses generally attempt to mitigate the impact of increased raw material prices by hedging or passing along the increased costs to customers, there may be a time delay between the increased raw material prices and the ability to increase the prices of products, or they may be unable to increase the prices of products due to a competitor's pricing pressure or other factors. In addition, while raw materials are generally available now, the inability to obtain necessary raw materials could affect the ability to meet customer commitments and satisfy market demand for certain products. Consequently, a significant price increase in raw materials, or their unavailability, may result in a loss of customers and adversely impact revenue, operating profits and cash flows.

- ***The Company's growth strategy with respect to expansion into new geographic markets could be adversely affected if Dover's companies are unable to manage the associated risks, particularly in markets outside the U.S.***

Approximately 43% of the Company's revenue is derived outside of the United States and the Company continues to focus on penetrating new global markets as part of its overall growth strategy. This global expansion strategy is subject to general risks related to international operations, including, among others: political, social and economic instability and disruptions; government embargoes or trade restrictions; the imposition of duties and tariffs and other trade barriers; import and export controls; increased compliance costs; transportation delays and disruptions; and difficulties in staffing and managing multi-national organizations. If the Company is unable to successfully mitigate these risks, they could have an adverse effect on the Company's growth strategy involving expansion into new geographic markets and on its results of operations and financial position.

- ***The Company's exposure to exchange rate fluctuations on cross border transactions and the translation of local currency results into U.S. dollars could negatively impact the Company's results of operations.***

The Company conducts business through its subsidiaries in many different countries, and fluctuations in currency exchange rates could have a significant impact on the reported results of operations, which are presented in U.S. dollars. A significant and growing portion of the Company's products are manufactured in lower-cost locations and sold in various countries. Cross border transactions, both with external parties and intercompany relationships, result in increased exposure to foreign exchange effects. Accordingly, significant changes in currency exchange rates, particularly the Euro, Pound Sterling, Chinese RMB (Yuan) and the Canadian dollar, could cause fluctuations in the reported results of the Company's operations that could negatively affect its results of operations. Additionally, the strengthening of certain currencies such as the Euro and U.S. dollar potentially exposes the Company to competitive threats from lower cost producers in other countries such as China. The Company's sales are translated into U.S. dollars for reporting purposes. The weakening of the U.S. dollar could result in unfavorable translation effects as the results of foreign locations are translated into U.S. dollars.

- ***The Company's operating profits and cash flows could be adversely affected if the Company cannot achieve projected savings and synergies.***

The Company is continually evaluating its cost structure and seeking ways to capture synergies across its operations. If the Company is unable to reduce costs and expenses through its various programs, it could adversely affect the Company's operating profits and cash flows.

- ***Failure to attract, retain and develop personnel or to provide adequate succession plans for key management could have an adverse affect on the Company's operating results.***

The Company's growth, profitability and effectiveness in conducting its operations and executing its strategic plans depend in part on its ability to attract, retain and develop qualified personnel, align them with appropriate opportunities and maintain adequate succession plans for key management positions. If the Company is unsuccessful in these efforts, its operating results could be adversely affected.

- ***The Company's businesses and their profitability and reputation could be adversely affected by domestic and foreign governmental and public policy changes (including environmental and employment regulations and tax policies such as export subsidy programs, research and experimentation credits, carbon emission regulations, and other similar programs), risks associated with emerging markets, changes in statutory tax rates and unanticipated outcomes with respect to tax audits.***

The Company's domestic and international sales and operations are subject to risks associated with changes in local government laws (including environmental and export laws), regulations and policies. Failure to comply with any of these laws could result in civil and criminal, monetary and non-monetary penalties as well as potential damage

to the Company's reputation. In addition, the Company cannot provide assurance that its costs of complying with current or future laws, including environmental protection, employment, and health and safety laws, will not exceed its estimates. In addition, the Company has invested in certain countries, including Brazil, Russia, India and China that carry high levels of currency, political, compliance and economic risk. While these risks or the impact of these risks are difficult to predict, any one or more of them could adversely affect the Company's businesses and reputation.

The Company's effective tax rate is impacted by changes in the mix among earnings in countries with differing statutory tax rates, changes in the valuation allowance of deferred tax assets or changes in tax laws. The amount of income taxes and other taxes paid can be adversely impacted by changes in statutory tax rates and laws and are subject to ongoing audits by domestic and international authorities. If these audits result in assessments different from amounts estimated, then the Company's financial results may be adversely affected by unfavorable tax adjustments.

- ***Unforeseen developments in contingencies such as litigation could adversely affect the Company's financial condition.***

The Company and certain of its subsidiaries are, and from time to time may become, parties to a number of legal proceedings incidental to their businesses involving alleged injuries arising out of the use of their products, exposure to hazardous substances or patent infringement, employment matters and commercial disputes. The defense of these lawsuits may require significant expenses, divert management's attention, and the Company may be required to pay damages that could adversely affect its financial condition. In addition, any insurance or indemnification rights that the Company may have may be insufficient or unavailable to protect it against potential loss exposures.

- ***The Company's revenue, operating profits and cash flows could be adversely affected if Dover's companies are unable to protect or obtain patent and other intellectual property rights.***

Dover companies own patents, trademarks, licenses and other forms of intellectual property related to their products. Dover companies employ various measures to maintain and protect their intellectual property. These measures may not prevent their intellectual property from being challenged, invalidated or circumvented, particularly in countries where intellectual property rights are not highly developed or protected. Unauthorized use of these intellectual property rights could adversely impact the competitive position of Dover's companies and have a negative impact on their revenue, operating profits and cash flows.

- ***The Company's growth and results of operations may be adversely affected if the Company is unsuccessful in its capital allocation and acquisition program or is unable to divest non-core assets and businesses as planned.***

The Company expects to continue its strategy of seeking to acquire value creating add-on businesses that broaden its existing companies and their global reach as well as, in the right circumstances, strategically pursuing larger, stand-alone businesses that have the potential to either complement its existing companies or allow the Company to pursue a new platform. However, there can be no assurance that the Company will find suitable businesses to purchase or that the associated price would be acceptable. If the Company is unsuccessful in its acquisition efforts, then its ability to continue to grow at rates similar to prior years could be adversely affected. In addition, a completed acquisition may underperform relative to expectations, be unable to achieve synergies originally anticipated, or require the payment of additional expenses for assumed liabilities. Further, failure to allocate capital appropriately could also result in over exposure in certain markets and geographies. These factors could potentially have an adverse impact on the Company's operating profits and cash flows. The inability to dispose of non-core assets and businesses on satisfactory terms and conditions and within the expected time frame could also have an adverse affect on our results of operations.

- ***The Company's borrowing costs are impacted by its credit ratings developed by various rating agencies.***

Three major ratings agencies (Moody's, Standard and Poor's, and Fitch Ratings) evaluate the Company's credit profile on an ongoing basis and have each assigned high ratings for the Company's long-term debt as of December 31, 2009. In February 2010, the Company met with Moody's, Standard Poor's and Fitch Ratings. All agencies reaffirmed their current credit ratings for the Company. Although the Company does not anticipate a material change in its credit ratings, if the Company's current credit ratings deteriorate, then its borrowing costs could increase, including increased fees under the Five-Year Credit Facility and the Company's access to future sources of liquidity may be adversely affected.

Item 1B. *Unresolved Staff Comments*

Not applicable.

Item 2. Properties

The number, type, location and size of the Company's properties as of December 31, 2009 are shown on the following charts, by segment:

Segment	Number and Nature of Facilities			Square Footage (000's)	
	Mfg.	Warehouse	Sales/ Service	Owned	Leased
Industrial Products	64	10	18	4,547	2,227
Engineered Systems	42	31	99	2,674	2,189
Fluid Management	72	12	36	2,730	1,162
Electronic Technologies	44	7	35	1,252	1,335

Segment	Locations				Leased Facilities Expiration Dates (Years)	
	North America	Europe	Asia	Other	Minimum	Maximum
Industrial Products	54	12	7	4	1	5
Engineered Systems	52	53	45	7	1	9
Fluid Management	82	12	4	3	1	15
Electronic Technologies	34	16	29	1	1	11

The facilities are generally well maintained and suitable for the operations conducted.

During 2009, the Company had a net reduction of 23 manufacturing and warehouse facilities reflecting the Company's restructuring activities in response to the current economic climate. These reductions and plant consolidations are not expected to restrict the Company's ability to meet customer needs should economic conditions improve materially in 2010.

In November 2009, the Company announced that it would relocate its corporate headquarters from New York City to Downers Grove, Illinois during the second quarter of 2010 and the relocation is anticipated to be completed during the summer. The move will essentially consolidate the corporate management team into one location which will improve communication and strategic decision making and facilitate performance efficiencies.

Item 3. Legal Proceedings

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

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

Item 4. Submission of Matters to a Vote of Security Holders

No matter was submitted to a vote of the Company's security holders in the last quarter of 2009.

Executive Officers of the Registrant

All officers are elected annually at the first meeting of the Board of Directors, following the Company's annual meeting of shareholders, and are subject to removal at any time by the Board of Directors. The executive officers of the Company as of February 19, 2010, 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
Robert A. Livingston	56	Chief Executive Officer and Director (since December 2008), President (since June 2008) and Chief Operating Officer (from June 2008 — December 2008) of Dover; prior thereto Vice President of Dover and President and Chief Executive Officer of Dover Engineered Systems, Inc. (from July 2007 to May 2008); prior thereto Vice President of Dover and President and Chief Executive Officer of Dover Electronics, Inc. (from October 1, 2004).
Brad M. Cerepak	51	Vice President, Finance (since June 2009) and Chief Financial Officer (since August 2009); prior thereto Vice President and Controller, Trane, Inc. (August 2005 — June 2008); prior thereto Chief Financial Officer, Bath and Kitchen division, American Standard Companies Inc. (since June 2003).
Thomas W. Giacomini	44	Vice President of Dover (since February 2008) and President (since April 2009) and Chief Executive Officer of Dover Industrial Products, Inc. (since July 2009); prior thereto President of Material Handling Platform (since October 2007); prior thereto President of Warn Industries, Inc. (from July 2005); prior thereto Chief Operating Officer of Warn Industries, Inc. (from 2000 to July 2005).
Paul E. Goldberg	46	Treasurer and Director of Investor Relations of Dover (since February 2006); prior thereto Assistant Treasurer of Dover (from July 2002).
Raymond C. Hogle	59	Vice President of Dover and President and Chief Executive Officer of Dover Engineered Systems, Inc. (since August 2008); prior thereto President and Chief Executive Officer of Hill Phoenix, Inc. (from February 2005).
Jay L. Kloosterboer	49	Vice President, Human Resources (since January 2009); prior thereto Executive Vice President — Business Excellence of AES Corporation (from May 2005); prior thereto Vice President and Chief Human Resources Officer of AES Corporation (from May 2003).
Raymond T. McKay, Jr.	56	Vice President of Dover (since February 2004), Controller of Dover (since November 2002).
James H. Moyle	57	Vice President, Supply Chain and Global Sourcing (since April 2009); prior thereto Chief Financial Officer of Dover Fluid Management, Inc. (since July 2007); prior thereto Vice President and Chief Financial Officer of Dover Diversified, Inc. (since November 2005); prior thereto Executive Vice President of Knowles Electronics, Inc. (since September 2003).
Joseph W. Schmidt	63	Vice President, General Counsel and Secretary of Dover (since January 2003).
Stephen R. Sellhausen	51	Vice President, Corporate Development of Dover (since January 2009); prior thereto Vice President, Business Development of Dover (from April 2008); prior thereto investment banker with Citigroup Global Markets.

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<u>Name</u>	<u>Age</u>	<u>Positions Held and Prior Business Experience</u>
Sivasankaran Somasundaram	44	Vice President of Dover (since January 2008); Executive Vice President of Dover Fluid Management (since January 2010); President of Fluid Solutions Platform (since January 2008); prior thereto President of Gas Equipment Group (from May 2006); prior thereto President of RPA Process Technologies (from March 2004); prior thereto Vice President of Dorr-Oliver Eimco (supplier of solid/liquid separation equipment and wholly-owned subsidiary of GLV Inc.) (from November 2002 through February 2004).
William W. Spurgeon, Jr.	51	Vice President of Dover and President and Chief Executive Officer of Dover Fluid Management, Inc. (since July 2007); prior thereto Vice President of Dover and President and Chief Executive Officer of Dover Diversified, Inc. (from October 1, 2004).
David R. Van Loan	61	Vice President of Dover and President and Chief Executive Officer of Dover Electronic Technologies, Inc. (since July 2007); prior thereto Vice President of Dover and President and Chief Executive Officer of Dover Technologies International, Inc. (from January 2006); prior thereto President of Dover Technologies International, Inc. (from July 2005); prior thereto for more than eight years, President and Chief Executive Officer of Everett Charles Technologies, Inc.

PART II

Item 5. *Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities*

Market Information and Dividends

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 as follows:

	2009			2008		
	Market Prices		Dividends Per Share	Market Prices		Dividends Per Share
	High	Low		High	Low	
First Quarter	\$ 36.15	\$ 21.79	\$ 0.25	\$ 44.87	\$ 33.54	\$ 0.20
Second Quarter	36.55	25.83	0.25	54.57	42.22	0.20
Third Quarter	39.79	30.30	0.26	51.99	40.74	0.25
Fourth Quarter	43.10	36.52	0.26	40.50	23.39	0.25
			\$ 1.02			\$ 0.90

Holders

The number of holders of record of the Company's Common Stock as of January 29, 2010 was approximately 15,802. This figure includes participants in the Company's 401(k) program.

Securities Authorized for Issuance Under Equity Compensation Plans

Information regarding securities authorized for issuance under the Company's equity compensation plans is contained in Part III, Item 12 of this Form 10-K.

Recent Sales of Unregistered Securities

On December 30, 2009 the Company issued 150,991 shares of its common stock to the shareholders of Inpro/Seal Company as partial consideration for the acquisition by Waukesha Bearings Corporation of Inpro/Seal Company's assets. The shares were issued pursuant to Regulation D under the Securities Act of 1933, as amended.

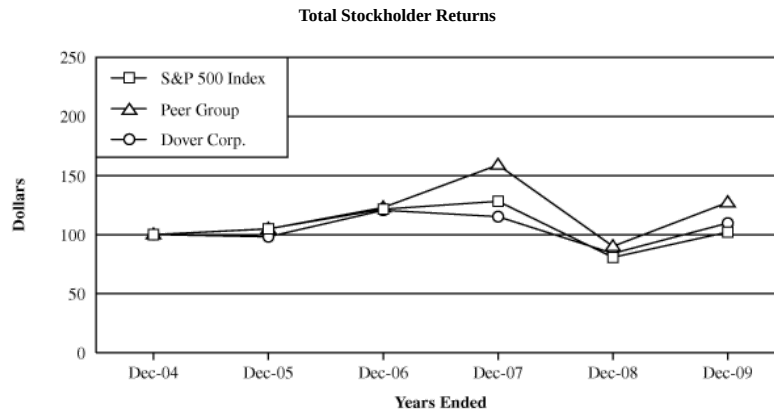
Issuer Purchases of Equity Securities

The Company did not purchase any shares of its stock during the fourth quarter of 2009.

Performance Graph

This performance graph does not constitute soliciting material, is not deemed filed with the SEC and is not incorporated by reference in any of the Company's filings under the Securities Act of 1933 or the Exchange Act of 1934, whether made before or after the date of this Annual Report on Form 10-K and irrespective of any general incorporation language in any such filing, except to the extent the Company specifically incorporates this performance graph by reference therein.

Comparison of Five-Year Cumulative Total Return*
Dover Corporation, S&P 500 Index & Peer Group Index



Data Source: Hemscott, Inc.

* Total return assumes reinvestment of dividends.

This graph assumes \$100 invested on December 31, 2004 in Dover Corporation common stock, the S&P 500 index and a peer group index.

The peer index consists of the following public companies selected by the Company: 3M Company, Actuant Corporation, Agco Corporation, Agilent Technologies Inc., Ametek Inc., Cameron International Corporation, Carlisle Companies Incorporated, Cooper Industries Ltd., Crane Co., Danaher Corporation, Deere & Company, Eaton Corporation, Emerson Electric Co., Flowsolve Corporation, FMC Technologies Inc., Honeywell International, Inc., Hubbell Incorporated, IDEX Corporation, Illinois Tool Works Inc., Ingersoll-Rand Company Limited, ITT Corporation, Leggett & Platt Incorporated, Masco Corp., Oshkosh Corp., Paccar Inc., Pall Corporation, Parker-Hannifin Corporation, Pentair Inc., Precision Castparts Corp., Rockwell Automation, Inc., Roper Industries Inc., SPX Corporation, Terex Corporation, The Manitowoc Co., The Timken Company, Tyco International Ltd., United Technologies Corporation, and Weatherford International Ltd.

Item 6. Selected Financial Data

Selected Company financial information for the years 2005 through 2009 is set forth in the following 5-year Consolidated Table.

	2009	2008	2007	2006	2005
	(In thousands, except per share figures)				
Revenue	\$ 5,775,689	\$ 7,568,888	\$ 7,317,270	\$ 6,419,528	\$ 5,234,355
Earnings from continuing operations	371,894	694,758	669,750	595,680	432,516
Basic earnings (loss) per share:					
Continuing operations	\$ 2.00	\$ 3.69	\$ 3.33	\$ 2.92	\$ 2.13
Discontinued operations	(0.08)	(0.55)	(0.04)	(0.17)	0.38
Net earnings	1.91	3.13	3.28	2.76	2.51
Weighted average shares outstanding	186,136	188,481	201,330	203,773	202,979
Diluted earnings (loss) per share:					
Continuing operations	\$ 1.99	\$ 3.67	\$ 3.30	\$ 2.90	\$ 2.12
Discontinued operations	(0.08)	(0.55)	(0.04)	(0.16)	0.38
Net earnings	1.91	3.12	3.26	2.73	2.50
Weighted average shares outstanding	186,736	189,269	202,918	205,497	204,177
Dividends per common share	\$ 1.02	\$ 0.90	\$ 0.77	\$ 0.71	\$ 0.66
Capital expenditures	\$ 120,009	\$ 175,795	\$ 173,653	\$ 191,937	\$ 127,578
Depreciation and amortization	258,223	261,154	243,776	195,840	151,788
Total assets	7,882,403	7,883,238	8,068,407	7,626,657	6,580,492
Total debt	1,860,884	2,085,673	2,090,652	1,771,040	1,538,335

All results and data in the table above reflect continuing operations, unless otherwise noted. All periods reflect the impact of certain operations that were discontinued. As a result, the data presented above will not necessarily agree to previously issued financial statements. See Note 3 for additional information on discontinued operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

Special Note Regarding Forward-Looking Statements

The following discussion and analysis should be read in conjunction with our Consolidated Financial Statements and Notes which appear elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed elsewhere in this Annual Report on Form 10-K, particularly in Item 1A. "Risk Factors" and in "SPECIAL NOTES REGARDING FORWARD-LOOKING STATEMENTS" inside the front cover of this Annual Report on Form 10-K.

(1) FINANCIAL CONDITION

Liquidity and Capital Resources

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

Cash and equivalents of \$714.4 million at December 31, 2009, increased by \$167.0 million from the prior year balance of \$547.4 million. Cash and equivalents were invested in highly liquid investment grade money market instruments with maturity of 90 days or less. Short-term investments consist of investment grade time deposits with original maturity dates between three months and one year. Short-term investments of \$223.8 million as of December 31, 2009 decreased by \$55.7 million from the prior year balance of \$279.5 million.

The Company's total cash, cash equivalents and short-term investment balance of \$938.2 million at December 31, 2009, includes \$813.8 million held outside of the United States.

The following table is derived from the Consolidated Statements of Cash Flows:

Cash Flows from Continuing Operations	Years Ended December 31,	
	2009	2008
	(In thousands)	
Net Cash Flows Provided By (Used In):		
Operating activities	\$ 802,060	\$ 1,010,416
Investing activities	(257,865)	(452,994)
Financing activities	(389,953)	(560,904)

Cash flows provided by operating activities for 2009 decreased \$208.4 million from the prior year primarily reflecting lower earnings on reduced sales from continuing operations and increased contributions to employee benefit plans partially offset by improvements in working capital.

Cash used in investing activities during 2009 decreased \$195.1 million compared to 2008, largely reflecting reduced capital expenditures and net purchases of short-term investments partially offset by higher acquisition costs and higher proceeds from the sale of a business in 2008. Cash acquisition spending was \$222.0 million (excluding \$6.4 million of consideration paid in the form of common stock) during 2009 compared to \$103.8 million in the prior year. Capital expenditures during 2009 decreased 31.7% to \$120.0 million compared to \$175.8 million in the prior year due to discretionary management spend in response to the economic environment. The Company currently anticipates that any acquisitions made during 2010 will be funded from available cash and internally generated funds, and if necessary, through the issuance of commercial paper, use of established lines of credit or public debt markets. Capital expenditures during 2010 are expected to be approximately 2.3% to 2.5% of revenue.

Cash used in financing activities during 2009 decreased \$171.0 million compared to the prior year primarily driven by the absence of share repurchases versus the prior year and reduced proceeds from the exercise of stock options, partially offset by debt repayments and higher dividend payments in 2009.

Share Repurchases

The Company had no share repurchases in 2009. In May 2007, the Board of Directors authorized the repurchase of up to 10,000,000 shares through May 2012. Approximately 8.9 million shares remain authorized for repurchase under this five year authorization as of December 31, 2009.

During the twelve months ended December 31, 2008, pursuant to a separate \$500 million share repurchase program approved by the Board of Directors in the fourth quarter of 2007, the Company repurchased 10,000,000 shares of its common stock in the open market at an average price of \$46.15 per share. As of December 31, 2008, the Company had completed the purchases of all shares authorized under this \$500 million share repurchase program.

Adjusted Working Capital

Adjusted Working Capital (a non-GAAP measure calculated as accounts receivable, plus inventory, less accounts payable) decreased from the prior year by \$183.3 million, or 14.4%, to \$1,092.6 million which reflected a decrease in receivables of \$134.4 million, a decrease in net inventory of \$65.3 million and a decrease in accounts payable of \$16.4 million, generally due to active working capital management in a lower revenue environment. Excluding acquisitions, dispositions, and the effects of foreign exchange translation of \$21.1 million, Adjusted Working Capital would have decreased by \$246.2 million, or 19.3%. "Average Annual Adjusted Working Capital" as a percentage of revenue (a non-GAAP measure calculated as the five-quarter average balance of accounts receivable, plus inventory, less accounts payable divided by the trailing twelve months of revenue) increased to 19.9% at December 31, 2009 from 18.3% at December 31, 2008, and inventory turns were 6.2 at December 31, 2009 compared to 7.1 at December 31, 2008.

In addition to measuring its cash flow generation and usage based upon the operating, investing and financing classifications included in the Consolidated Statements of Cash Flows, the Company also measures free cash flow (a non-GAAP measure). Management believes that free cash flow is an important measure of operating performance because it provides management and investors a measurement of cash generated from operations that is available to repay debt, pay dividends, fund acquisitions and repurchase the Company's common stock. For further information, see Non-GAAP Disclosures at the end of this Item 7.

Free Cash Flow

Free cash flow for the year ended December 31, 2009 was \$682.1 million or 11.8% of revenue compared to \$834.6 million or 11.0% of revenue in the prior year. The 2009 decrease in free cash flow reflects lower earnings from continuing operations and higher employee benefit contributions partially offset by improvements in working capital and a decrease in capital expenditures as compared to the prior year. The increase in free cash flow as a percentage of revenue is due to active management of adjusted working capital in a lower revenue environment.

The following table is a reconciliation of free cash flow to cash flows from operating activities

	Years Ended December 31,	
	2009	2008
	(In thousands)	
Free Cash Flow		
Cash flow provided by operating activities	\$ 802,060	\$1,010,416
Less: Capital expenditures	120,009	175,795
Free cash flow	\$ 682,051	\$834,621
Free cash flow as a percentage of revenue	11.8%	11.0%

At December 31, 2009, the Company's net property, plant, and equipment totaled \$828.9 million compared to \$872.1 million at the end of 2008. The decrease in net property, plant and equipment reflected depreciation of \$159.6 million and disposals of \$21.7 million, partially offset by capital expenditures of \$120.0 million, acquisitions of \$11.6 million and \$12.3 million related to foreign currency fluctuations.

The aggregate of current and deferred income tax assets and liabilities decreased from a \$240.7 million net liability at the beginning of the year to a net liability of \$222.3 million at year-end 2009. This resulted primarily from a decrease in deferred tax liabilities related to intangible assets and accounts receivable, partially offset by an increase in deferred tax assets related to net operating loss and other carryforwards.

The Company's consolidated benefit obligation related to defined and supplemental retirement benefits increased by \$31.0 million in 2009. The increase was due primarily to interest costs of \$37.6 million, benefits earned of \$20.2 million, currency changes of \$10.3 million, business acquisitions of \$7.2 million, a net actuarial loss of \$7.1 million, and other changes, partially offset by benefits paid of \$54.5 million. In 2009, plan assets increased \$56.9 million primarily due to Company contributions of \$77.5 million, investment returns of \$24.0 million, currency and other changes amounting to \$7.2 million, partially offset by \$54.5 million in benefits paid during the year. It is anticipated that the Company's defined and supplemental retirement benefits expense will decrease from \$36.5 million in 2009 to approximately \$32.4 million in 2010.

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

Net Debt to Total Capitalization Ratio	At December 31,	At December 31,
	2009	2008
	(In thousands)	
Current maturities of long-term debt	\$ 35,624	\$ 32,194
Commercial paper and other short-term debt	—	192,750
Long-term debt	1,825,260	1,860,729
Total debt	1,860,884	2,085,673
Less: Cash, cash equivalents and short-term investments	938,174	826,869
Net debt	922,710	1,258,804
Add: Stockholders' equity	4,083,608	3,792,866
Total capitalization	\$ 5,006,318	\$ 5,051,670
Net debt to total capitalization	18.4%	24.9%

The total debt level of \$1,860.9 million at December 31, 2009 decreased \$224.8 million from December 31, 2008 due to repayment of commercial paper borrowings of \$192.8 million and a decrease in long-term debt of \$32.0 million. Net debt at December 31, 2009 decreased \$336.1 million as a result of the decrease in total debt, a decrease in adjusted working capital and the absence of share repurchases in 2009.

The Company's long-term debt instruments had a book value of \$1,860.9 million on December 31, 2009 and a fair value of approximately \$1,954.6 million. On December 31, 2008, the Company's long-term debt instruments had a book value of \$1,892.9 million and a fair value of approximately \$2,018.5 million.

The Company believes that existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates for the foreseeable future. Acquisition spending and/or share repurchases could potentially increase the Company's debt. However, management anticipates that the net debt to total capitalization ratio will remain generally consistent with historical levels. Operating cash flow and access to capital markets are expected to satisfy the Company's various cash flow requirements, including acquisitions and capital expenditures.

Management is not aware of any potential deterioration to the Company's liquidity. Under the Company's \$1 billion 5-year unsecured revolving credit facility with a syndicate of banks, which expires in November 2012, the Company is required to maintain an interest coverage ratio of EBITDA to consolidated net interest expense of not less than 3.5 to 1. The Company was in compliance with this covenant and its other long-term debt covenants at December 31, 2009 and had a coverage ratio of 9.1 to 1. It is anticipated that in 2010 any funding requirements above cash generated from operations will be met through the issuance of commercial paper. Given the current economic conditions, the Company fully expects to remain in compliance with all of its debt covenants.

The Company periodically enters into financial transactions specifically to hedge its exposures to various items, including, but not limited to, interest rate and foreign exchange rate risk. Through various programs, the

Company hedges its cash flow exposures to foreign exchange rate risk by entering into foreign exchange forward contracts and collars. The Company does not enter into derivative financial instruments for speculative purposes and does not have a material portfolio of derivative financial instruments.

The Company's long-term debt with a book value of \$1,860.9 million includes \$35.6 million which matures in less than one year and had a fair value of approximately \$1,954.6 million at December 31, 2009. The estimated fair value of the long-term debt is based on quoted market prices, and present value techniques used to value similar instruments.

During the second quarter ended June 30, 2008, the Company repaid its \$150 million 6.25% Notes due June 1, 2008. In addition, on March 14, 2008, the Company issued \$350 million of 5.45% Notes due 2018 and \$250 million of 6.60% Notes due 2038. The net proceeds of \$594.1 million from the notes were used to repay borrowings under the Company's commercial paper program, and were reflected in long-term debt in the Consolidated Balance Sheet at December 31, 2008. The notes and debentures are redeemable at the option of the Company in whole or in part at any time at a redemption price that includes a make-whole premium, with accrued interest to the redemption date.

During the first quarter of 2008, Dover entered into several interest rate swaps in anticipation of the debt financing completed on March 14, 2008 which, upon settlement, resulted in a net gain of \$1.2 million which was deferred and is being amortized over the lives of the related notes.

There is an outstanding swap agreement for a total notional amount of \$50.0 million, or CHF65.1 million, which swaps the U.S. 6-month LIBOR rate and the Swiss Franc 6-month LIBOR rate. This agreement hedges a portion of the Company's net investment in non-U.S. operations and the fair value outstanding at December 31, 2009 includes a loss of \$13.3 million which was based on quoted market prices for similar instruments (uses Level 2 inputs under the ASC 820 hierarchy). This hedge is effective.

During the third quarter of 2008, the Company entered into a foreign currency hedge which was subsequently settled within the quarter in anticipation of a potential acquisition, which did not occur. As a result of terminating the hedge, the Company recorded a gain of \$2.4 million in the third quarter ended September 30, 2008.

At December 31, 2008, the Company had open foreign exchange forward purchase contracts expiring through December 2009 related to cash flow and fair value hedges of foreign currency exposures. The fair values of these contracts were based on quoted market prices for identical instruments as of December 31, 2008 (uses Level 1 inputs ASC 820 hierarchy).

The details of the open contracts as of December 31, 2009 are as follows:

Forward Currencies Purchased	US Dollars Sold				Average Contract Rate
	Expiration From 12/31/09				
	Less Than 1 Month	2-3 Months	4-6 Months (In thousands)	7-12 Months	
Japanese Yen	\$ 1,796	\$ 299	\$ —	\$ —	91.495
Japanese Yen	\$ —	\$ 3,012	\$ —	\$ —	91.030
Euros	\$ —	\$ 680	\$ —	\$ —	0.670
Collar	Put	Call	US Dollar Value		
US Dollar to Euro	1.420	1.470	\$ 4,000		Maturities from 3/29/10 — 12/31/10
Chinese Yuan to US Dollar	6.500	6.808	Chinese Yuan Value 247,000		Maturities from 1/25/10 — 12/29/10

The Company's credit ratings, which are independently developed by the respective rating agencies, are as follows for the years ended December 31:

	2009		2008	
	Short term	Long term	Short term	Long term
Moody's	P-1	A2	P-1	A2
Standard & Poor's	A-1	A	A-1	A
Fitch	F1	A	F1	A

A summary of the Company's undiscounted long-term debt, commitments and obligations as of December 31, 2009 and the years when these obligations are expected to be due is as follows:

	Payments Due by Period					
	Total	Less than 1 Year	1-3 Years (In thousands)	3-5 Years	More than 5 Years	Other(A)
Long-term debt	\$ 1,860,884	\$ 35,624	\$ 436,191	\$ 190	\$ 1,388,879	\$ —
Interest expense	1,399,359	105,625	162,500	159,250	971,984	—
Rental commitments	240,127	49,943	75,722	44,116	70,346	—
Purchase obligations	29,006	27,399	1,165	442	—	—
Capital leases	5,461	1,140	2,022	1,311	988	—
Supplemental & post-retirement benefits	140,196	15,657	29,920	17,921	76,698	—
Uncertain tax positions (A)	245,563	15,363	—	—	—	230,200
Other long-term obligations	386	386	—	—	—	—
Total obligations	\$ 3,920,982	\$ 251,137	\$ 707,520	\$ 223,230	\$ 2,508,895	\$ 230,200

(A) Due to the uncertainty of the potential settlement of future uncertain tax positions, management is unable to estimate the timing of the related payments, if any, that will be made subsequent to 2010. These amounts do not include the potential indirect benefits resulting from deductions or credits for payments made to other jurisdictions.

(2) **RESULTS OF OPERATIONS:**

2009 COMPARED TO 2008

Consolidated Results of Operations

	Year Ended December 31,			
	2009	2008	\$ Change	% Change
	(In thousands)			
Revenue	\$ 5,775,689	\$ 7,568,888	\$ (1,793,199)	(24)%
Cost of goods and services	3,676,535	4,838,881	(1,162,346)	(24)%
Gross profit	2,099,154	2,730,007	(630,853)	(23)%
Selling and administrative expenses	1,511,111	1,700,677	(189,566)	(11)%
Operating earnings	588,043	1,029,330	(441,287)	(43)%
Interest expense, net	100,375	96,037	4,338	5%
Other expense (income), net	(3,950)	(12,726)	8,776	(69)%
Total interest/other expense, net	96,425	83,311	13,114	16%
Earnings before provision for income taxes and discontinued operations	491,618	946,019	(454,401)	(48)%
Provision for income taxes	119,724	251,261	(131,537)	(52)%
Earnings from continuing operations	\$ 371,894	\$ 694,758	\$ (322,864)	(46)%

Revenue

Revenue for the year ended December 31, 2009 decreased 24% compared to 2008, due to decreases experienced across all four segments primarily driven by a \$837.7 million or 34% decrease at Industrial Products and a \$443.1 million or 26% decrease at Fluid Management as a result of lower demand and sales volume stemming from general unfavorable economic conditions. Revenue decreased at Engineered Systems by \$148.4 million or 7% due to lower sales volume in core businesses which was offset by the incremental revenue from the 2009 acquisitions. Overall, the Company's organic revenue growth decreased 23.9% with an unfavorable decrease in foreign exchange of 1.7% partially offset by a favorable impact of 1.9% in net growth from acquisitions. Gross profit decreased 23% to \$2,099.1 million from 2008 while the gross profit margin remained essentially flat at 36.3% and 36.1%, in 2009 and 2008, respectively.

Selling and Administrative Expenses

Selling and administrative expenses of \$1,511.1 million for the year ended December 31, 2009 decreased \$189.6 million over the comparable 2008 period, primarily due to decreased revenue activity, cost curtailment efforts and integration programs partially offset by restructuring charges. Selling and administrative expenses as a percentage of revenue increased to 26% from 22% in the prior year reflecting reduced revenue levels and restructuring charges of \$50.2 million.

Interest Expense, net

Interest expense, net, increased 5% to \$100.4 million for 2009, compared to \$96.0 million for 2008 primarily due to lower average outstanding commercial paper balances during the period more than offset by cash and investments that were reinvested at lower interest rates during the later part of the year. Interest expense for the years ended December 31, 2009 and 2008 was \$116.2 million and \$130.2 million, respectively. Interest income for the years ended December 31, 2009 and 2008 was \$15.8 million and \$34.2 million, respectively.

Other Expense (Income), net

Other expense (income), net for 2009 and 2008 of (\$4.0) million and (\$12.7) million, respectively, was driven primarily related to the effect of foreign exchange fluctuations on assets and liabilities denominated in currencies other than the Company's functional currency.

Income Taxes

The effective tax rates for continuing operations for 2009 was 24.4% compared to the prior year rate of 26.6%. The effective tax rate for 2009 was improved by \$31.6 million of net benefits recognized for tax positions that were effectively settled primarily in the second and fourth quarters of 2009. The effective tax rate for 2008 was favorably impacted by \$26.3 million of net benefits recognized for tax positions that were primarily settled in the third and fourth quarters of 2008. The full year 2009 rate reflects the favorable impact of benefits recognized for tax positions that were effectively settled and the favorable impact of a higher percentage of non-U.S. earnings in low tax rate jurisdictions.

Net Earnings

Net earnings for the twelve months ended December 31, 2009 were \$356.4 million or \$1.91 dilutive earnings per share ("EPS") including a loss from discontinued operations of \$15.5 million or \$0.08 EPS, compared to net earnings of \$590.8 million or \$3.12 dilutive EPS for the same period of 2008, including a loss from discontinued operations of \$103.9 million or \$0.55 EPS. The losses from discontinued operations in 2009 include approximately \$10.3 million, net of tax, related to a write-down of a business held for sale. The losses from discontinued operations in 2008 largely reflect a loss provision for a business held for sale, as well as tax expenses and tax accruals related to ongoing Federal tax settlements and state tax assessments. Refer to Note 3 in the Consolidated Financial Statements for additional information on discontinued operations.

In addition to these factors, earnings across all platforms were also negatively impacted by restructuring charges as noted below, partially offset by benefits captured from business restructuring and integration programs completed to date.

Severance and Exit Reserves

The Company's synergy capture programs and the restructuring initiatives launched during 2008, were continued throughout 2009. The Company was able to respond to the economic downturn through strategic restructuring efforts undertaken by management which yielded savings of approximately \$125 million in 2009. The 2010 benefits from these restructuring efforts are expected to range from \$30 million to \$40 million. During 2009, the Company had a net reduction in its workforce of approximately 2,950, or 9%, and a net reduction of 23 manufacturing and warehouse facilities. The Company does not anticipate a significant reduction to its workforce in 2010 and will continue to monitor business activity across its markets served and adjust capacity as necessary pending the economic climate.

From time to time, the Company has initiated various restructuring programs at its operating companies as noted above and has recorded severance and other restructuring costs in connection with purchase accounting for acquisitions prior to January 1, 2009.

At December 31, 2009 and 2008, the Company had reserves related to severance and other restructuring activities of \$16.8 million and \$31.0 million, respectively. During 2009, the Company recorded \$72.1 million in additional charges and made \$66.8 million in payments and \$19.5 million of non-cash write-downs related to reserve balances. For 2009, approximately \$21.9 million and \$50.2 million of restructuring charges were recorded in cost of goods and services and selling and administrative expenses, respectively, in the Consolidated Statements of Operations. During 2008, the Company recorded \$27.4 million in additional charges and \$5.6 million in purchase accounting reserves related to acquisitions, partially offset by other non-cash write-downs of \$2.3 million and payments of \$28.1 million.

Current Economic Environment

With few exceptions, the Company experienced lower demand across all of its end markets resulting in lower bookings and backlog in the fourth quarter of 2008 through the first half of 2009, with modest improvements in certain segments in the second half of 2009. Although this downturn had a significant adverse impact on revenue and earnings for the year, the Company maintained double-digit margin levels and generated free cash flow in excess of 10% as a percentage of revenue. The structural changes made over the last few years, becoming less dependent on capital goods markets and having greater recurring revenue, together with improved working capital management and strong pricing discipline partially offset the impact of the economic downturn during 2009. As discussed above in the Liquidity and Capital Resources section, the Company believes that existing sources of liquidity are adequate to meet anticipated funding needs at comparable risk-based interest rates.

2010 Outlook

The Company estimates full year organic growth to be in the range of 4% to 6% (inclusive of a foreign currency impact of 1%) and acquisition related growth to be around 3% for transactions completed in 2009. Based on these revenue assumptions and profitability expectations, the Company has projected that its diluted earnings per share from continuing operations will be in the range of \$2.35 to \$2.65 and expects its earnings to follow a traditional seasonal pattern of being higher in the second and third quarters. The Company also remains focused on key initiatives including the corporate development program, post merger integration process and supply chain initiative among others.

Segment Results of Operations

Industrial Products

	Twelve Months Ended December 31,		
	2009	2008	% Change
	(In thousands)		
Revenue			
Material Handling	\$ 660,353	\$ 1,136,869	(42)%
Mobile Equipment	962,177	1,323,422	(27)%
Eliminations	(738)	(786)	
	<u>\$ 1,621,792</u>	<u>\$ 2,459,505</u>	(34)%
Segment earnings	\$ 139,757	\$ 299,740	(53)%
Operating margin	8.6%	12.2%	
Acquisition related depreciation and amortization expense*	\$ 32,048	\$ 32,283	(1)%
Bookings			
Material Handling	\$ 587,676	\$ 1,109,028	(47)%
Mobile Equipment	901,164	1,177,880	(23)%
Eliminations	(986)	(1,134)	
	<u>\$ 1,487,854</u>	<u>\$ 2,285,774</u>	(35)%
Backlog			
Material Handling	\$ 116,658	\$ 188,591	(38)%
Mobile Equipment	329,774	387,329	(15)%
Eliminations	(371)	(220)	
	<u>\$ 446,061</u>	<u>\$ 575,700</u>	(23)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Industrial Products revenue and earnings decreased by 34% and 53%, respectively, as compared to the prior year primarily due to general economic conditions as well as the continued downturn in infrastructure, energy, and transportation markets. The segment decline in revenue primarily reflected a core business decrease of 33% and an unfavorable impact of 1.0% due to foreign exchange. Earnings and margin were impacted by decreased revenue and \$17.5 million in restructuring charges. The segment has experienced modest improvement in commercial activity across markets served during the fourth quarter of 2009.

Material Handling revenue and earnings decreased 42% and 73%, respectively, when compared to the prior year. The platform experienced significant challenges in its core infrastructure, automotive, construction equipment and energy markets which were partially offset by an increase in military demand. The decrease in revenue coupled with restructuring charges of \$11.0 million negatively impacted earnings. Although bookings are down 47% as compared to 2008, the platforms served end markets have stabilized in the fourth quarter.

Mobile Equipment revenue and earnings decreased 27% and 29%, respectively, over the prior year. The strength of the military market during the year was offset by challenges in the energy, bulk transport and vehicle service markets. Earnings at the platform were primarily impacted by lower revenue and restructuring charges of \$6.5 million.

Engineered Systems

	Twelve Months Ended December 31.		
	2009	2008	% Change
	(In thousands)		
Revenue			
Engineered Products	\$ 1,059,660	\$ 1,085,881	(2)%
Product Identification	802,276	924,469	(13)%
	<u>\$ 1,861,936</u>	<u>\$ 2,010,350</u>	(7)%
Segment earnings	\$ 227,268	\$ 278,553	(18)%
Operating margin	12.2%	13.9%	
Acquisition related depreciation and amortization expense*	\$ 26,666	\$ 24,394	9%
Bookings			
Engineered Products	\$ 1,018,067	\$ 1,043,873	(2)%
Product Identification	817,359	920,712	(11)%
	<u>\$ 1,835,426</u>	<u>\$ 1,964,585</u>	(7)%
Backlog			
Engineered Products	\$ 218,520	\$ 183,821	19%
Product Identification	74,700	61,195	22%
	<u>\$ 293,220</u>	<u>\$ 245,016</u>	20%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Engineered Systems revenue and earnings decreased by 7% and 18%, respectively, as compared to the prior year. The decline in revenue was primarily driven by an 11% decline in core business revenue (excluding acquisitions) as a result of general softness in the markets served by the segment and an unfavorable impact of foreign exchange of 3%. The acquisitions of Tyler, Ala Cart, Inc. and Barker Company in the Engineered Products platform and Extech Instruments in the Product Identification platform accounted for 7% revenue growth. The earnings decline was substantially driven by the softness in most end markets served, \$18.4 million of restructuring charges and \$6.2 million of acquisition related expenses.

Engineered Products revenue and earnings decreased by 2% and 10%, respectively, as compared to the prior year. Lower sales volume throughout our core businesses (most notably refrigeration equipment) were partially offset by acquisition revenue. The earnings decline resulted from lower sales volume in commercial cooling, HVAC and packaging equipment, restructuring charges of \$6.9 million and \$6.2 million of acquisition related expenses.

Product Identification platform revenue and earnings declined 13% and 18%, respectively, as compared to the prior year. Core revenue decreased 10% due to lower sales volume in the Direct Marketing and Bar Coding business with the balance of the revenue decline due to foreign exchange. The platform incurred \$11.5 million in restructuring charges during the year.

Fluid Management

	Twelve Months Ended December 31,		% Change
	2009	2008 (In thousands)	
Revenue			
Energy	\$ 624,211	\$ 935,414	(33)%
Fluid Solutions	646,849	778,812	(17)%
Eliminations	(150)	(180)	
	<u>\$ 1,270,910</u>	<u>\$ 1,714,046</u>	(26)%
Segment earnings	\$ 259,269	\$ 385,317	(33)%
Operating margin	20.4%	22.5%	
Acquisition related depreciation and amortization expense*	\$ 18,389	\$ 19,550	(6)%
Bookings			
Energy	\$ 610,045	\$ 964,517	(37)%
Fluid Solutions	645,098	771,359	(16)%
Eliminations	(140)	(178)	
Backlog	<u>\$ 1,255,003</u>	<u>\$ 1,735,698</u>	(28)%
Energy	\$ 77,173	\$ 95,532	(19)%
Fluid Solutions	60,540	64,471	(6)%
Eliminations	(2)	(12)	
	<u>\$ 137,711</u>	<u>\$ 159,991</u>	(14)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Fluid Management's revenue and earnings decreased by 26% and 33%, respectively, as compared to the prior year. The decline in revenue was primarily driven by a 25% decline in core business revenue and an unfavorable impact of foreign exchange of 2%. The decline in revenue was partially offset by the full year effect of 2008 acquisitions and a 2009 acquisition (1%). The earnings decline was driven by reduced revenue, \$9.7 million in restructuring charges and acquisition related expenses of \$2.5 million.

The Energy platform's revenue and earnings decreased 33% and 38%, respectively, as compared to the prior year. The decline in revenue is a result of lower demand in the oil, gas and power generation industries, partially offset by the impact of 2008 and 2009 acquisitions. The platform has experienced a recent increase in revenue growth stemming from increases in active North American drilling rigs. The decrease in earnings is a result of lower sales volume, restructuring charges of \$3.0 million and acquisition related expenses of \$2.5 million, partially offset by operational improvements and cost savings as a result of restructuring activities. Waukesha Bearings acquired Inpro/Seal Company on December 30, 2009 which accounted for the majority of the acquisition costs.

The Fluid Solutions platform revenue and earnings decreased 17% and 20%, respectively, as compared to the prior year due to lower demand in the their various industrial markets. Decreased earnings reflect lower sales volume and \$6.7 million of restructuring charges.

Electronic Technologies

	2009	2008	% Change
		(In thousands)	
Revenue	\$1,026,954	\$1,396,131	(26)%
Segment earnings	\$ 83,694	\$ 193,641	(57)%
Operating margin	8.1%	13.9%	
Acquisition related depreciation and amortization expense*	\$ 33,203	\$ 36,481	(9)%
Bookings	1,055,282	1,342,382	(21)%
Backlog	206,893	175,317	18%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Electronic Technologies revenue and earnings decreased 26% and 57%, respectively, as compared to the prior year primarily driven by weak demand for telecom components and electronic assembly and test equipment. The decline in core revenue was 24% and there was a 2% unfavorable impact on revenue from foreign exchange. Micro Electronic Mechanical Systems ("MEMS") products continue to show increased customer adoption, while military and space programs continue to provide a constructive business climate for our electronic component companies. Earnings for the twelve months ended December 31, 2009 were negatively impacted by lower sales volume and \$26.6 million of restructuring charges. In addition, the comparability of 2009 earnings is impacted by the favorable impact of 2008 earnings, which included a \$7.5 million gain on the sale of a business (semi-conductor test handling).

2008 COMPARED TO 2007

Consolidated Results of Operations

	Year Ended December 31,			
	2008	2007	\$ Change	% Change
		(In thousands)		
Revenue	\$ 7,568,888	\$ 7,317,270	\$ 251,618	3%
Cost of goods and services	4,838,881	4,697,768	141,113	3%
Gross profit	2,730,007	2,619,502	110,505	4%
Selling and administrative expenses	1,700,677	1,614,005	86,672	5%
Operating earnings	1,029,330	1,005,497	23,833	2%
Interest expense, net	96,037	89,589	6,448	7%
Other expense (income), net	(12,726)	3,541	(16,267)	(459)%
Total interest/other expense, net	83,311	93,130	(9,819)	(11)%
Earnings before provision for income taxes and discontinued operations	946,019	912,367	33,652	4%
Provision for income taxes	251,261	242,617	8,644	4%
Earnings from continuing operations	\$ 694,758	\$ 669,750	\$ 25,008	4%

Revenue

Revenue for the year ended December 31, 2008 increased 3% over 2007, due to increases of \$232.0 million at Fluid Management, \$52.2 million at Industrial Products and \$6.0 million at Electronic Technologies. These revenue increases were due to positive market fundamentals and acquisitions at Fluid Management, while Engineered Systems' revenue decreased \$41.7 million due to weakness in markets served by the Engineered Products platform. Overall, Dover's organic revenue growth was 1%, net acquisition growth was 1% and the impact from foreign exchange was 1%. Gross profit increased 4% to \$2,730.0 million from 2007 while the gross profit margin remained essentially flat at 36.1% and 35.8%, in 2008 and 2007, respectively.

Selling and Administrative Expenses

Selling and administrative expenses of \$1,700.7 million for the year ended December 31, 2008 increased \$86.7 million over the comparable 2007 period, primarily due to increased revenue activity, increased professional fees and restructuring charges.

Interest Expense, net

Interest expense, net, increased 7% to \$96.0 million for 2008, compared to \$89.6 million for 2007. The increase was due to higher average outstanding borrowings used to fund purchases of the Company's common stock and higher average commercial paper rates.

Other Expense (Income), net

Other expense (income), net for 2008 and 2007 of (\$12.7) million and \$3.5 million, respectively, was driven primarily by foreign exchange gains and losses, partially offset by other miscellaneous income.

Income Taxes

The 2008 and 2007 tax rate for continuing operations was 26.6% in both periods, each favorably impacted by the mix of non-U.S. earnings in low-taxed overseas jurisdictions.

Net Earnings

Net earnings for the twelve months ended December 31, 2008 were \$590.8 million or \$3.12 EPS, which included a loss from discontinued operations of \$103.9 million or \$0.55 EPS, compared to net earnings of \$661.1 million or \$3.26 EPS for the same period of 2007, including a loss from discontinued operations of \$8.7 million or \$0.04 EPS. The losses from discontinued operations in 2008 largely reflect a loss provision for a business expected to be sold in 2009, as well as tax expenses and tax accruals related to ongoing Federal tax settlements and state tax assessments. Refer to Note 3 in the Consolidated Financial Statements for additional information on discontinued operations.

Segment Results of Operations

Industrial Products

	Twelve Months Ended December 31,		
	2008	2007 (In thousands)	% Change
Revenue			
Material Handling	\$ 1,136,869	\$ 1,145,253	(1)%
Mobile Equipment	1,323,422	1,262,984	5%
Eliminations	(786)	(977)	
	<u>\$ 2,459,505</u>	<u>\$ 2,407,260</u>	2%
Segment earnings	\$ 299,740	\$ 312,486	(4)%
Operating margin	12.2%	13.0%	
Acquisition related depreciation and amortization expense*	\$ 32,283	\$ 27,830	16%
Bookings			
Material Handling	\$ 1,109,028	\$ 1,141,955	(3)%
Mobile Equipment	1,177,880	1,364,340	(14)%
Eliminations	(1,134)	(1,556)	
	<u>\$ 2,285,774</u>	<u>\$ 2,504,739</u>	(9)%
Backlog			
Material Handling	\$ 188,591	\$ 213,653	(12)%
Mobile Equipment	387,329	543,776	(29)%
Eliminations	(220)	(195)	
	<u>\$ 575,700</u>	<u>\$ 757,234</u>	(24)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Industrial Products increase in revenue over the prior year was primarily due to strength in the military and solid waste management markets as well as the impact of the December 2007 acquisition of Industrial Motion Control LLC ("IMC"), and the March 2008 acquisition of Lantec Winch and Gear Inc. Overall, the segment had 2% revenue growth from its core businesses and acquisition growth of 3%, which was partially offset by the sale of a line of business. Earnings declined 4% when compared to the prior year substantially due to weakness in the construction and the North American auto service markets, and restructuring costs.

Material Handling revenue decreased 1% while earnings decreased 5% when compared to the prior year. Revenue and earnings growth in the industrial winch business was more than offset by softness in the infrastructure, industrial automation and automotive markets. In addition, the platform incurred additional expenses related to its ongoing cost reduction and integration activities.

Mobile Equipment revenue and earnings increased 5% and 2%, respectively, over the prior year. The revenue increase was primarily due to core business growth as the platform continued to experience strength in the aerospace, military and solid waste management markets. Softness in the automotive service and bulk transport end markets partially offset the increases experienced in other markets.

Engineered Systems

	Twelve Months Ended December 31.		
	2008	2007 (In thousands)	% Change
Revenue			
Engineered Products	\$ 1,085,881	\$ 1,139,478	(5)%
Product Identification	924,469	912,580	1%
	<u>\$ 2,010,350</u>	<u>\$ 2,052,058</u>	(2)%
Segment earnings	\$ 278,553	\$ 291,727	(5)%
Operating margin	13.9%	14.2%	
Acquisition related depreciation and amortization expense*	\$ 24,394	\$ 29,262	(17)%
Bookings			
Engineered Products	\$ 1,043,873	\$ 1,116,638	(7)%
Product Identification	920,712	919,216	0%
	<u>\$ 1,964,585</u>	<u>\$ 2,035,854</u>	(4)%
Backlog			
Engineered Products	\$ 183,821	\$ 227,523	(19)%
Product Identification	61,195	68,938	(11)%
	<u>\$ 245,016</u>	<u>\$ 296,461</u>	(17)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Engineered Systems decreases in revenue and earnings over the prior year of 2% and 5%, respectively, were primarily driven by the Engineered Products platform. Overall, the segment had a 4% decline in revenue from its core businesses which was partially offset by the favorable impact of currency rates of 2%.

Engineered Products revenue and earnings decreased 5% and 15%, respectively, over the prior year due to weaker sales of retail food equipment and softness in the beverage can equipment business. In addition to the reduction in overall sales volume during the year, the platform's earnings were negatively impacted by currency exchange rates, restructuring and a \$6.6 million one-time charge primarily related to inventory. Partially offsetting these declines were the results of the heat exchanger and foodservice businesses which experienced continued strength throughout 2008.

Product Identification platform revenue and earnings both increased 1% over 2007. The revenue growth was primarily due to the favorable impact of foreign exchange as the core businesses in the platform experienced lower volume. Despite the decline in core business revenue, the platform was able to maintain margins consistent with the prior year due to on-going integration activities across the platform.

Fluid Management

	Twelve Months Ended December 31.		
	2008	2007 (In thousands)	% Change
Revenue			
Energy	\$ 935,414	\$ 775,024	21%
Fluid Solutions	778,812	707,113	10%
Eliminations	(180)	(129)	
	<u>\$ 1,714,046</u>	<u>\$ 1,482,008</u>	16%
Segment earnings	\$ 385,317	\$ 304,576	27%
Operating margin	22.5%	20.6%	
Acquisition related depreciation and amortization expense*	\$ 19,550	\$ 15,569	26%
Bookings			
Energy	\$ 964,517	\$ 785,065	23%
Fluid Solutions	771,359	716,644	8%
Eliminations	(178)	(110)	
	<u>\$ 1,735,698</u>	<u>\$ 1,501,599</u>	16%
Backlog			
Energy	\$ 95,532	\$ 88,245	8%
Fluid Solutions	64,471	73,713	(13)%
Eliminations	(12)	(14)	
	<u>\$ 159,991</u>	<u>\$ 161,944</u>	(1)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Fluid Management revenue and earnings increased 16% and 27%, respectively, over 2007 due to strength in the oil, gas, and power generation sectors served by the Energy platform as well as the diverse markets served by the Fluid Solutions platform. Overall, the segment had organic revenue growth of 12%, acquisition growth of 3%, with the remainder due to the favorable impact of foreign exchange.

The Energy platform's revenue increased 21% while its earnings improved 32%, when compared to 2007, due to strength in the oil and gas markets and increasing power generation demand. Earnings and margin benefited from the higher volume and operational improvements.

The Fluid Solutions platform revenue increased 10% and earnings improved 20% due to acquisitions and strength in the markets served by its core businesses. In general, demand remained strong for pumps, dispensing systems, and connectors. Earnings and margins improved due to a favorable business mix and cost savings from the platform's ongoing cost reduction activities.

Electronic Technologies

	Twelve Months Ended December 31,		% Change
	2008	2007	
	(In thousands)		
Revenue	\$ 1,396,131	\$ 1,390,103	0%
Segment earnings	\$ 193,641	\$ 180,337	7%
Operating margin	13.9%	13.0%	
Acquisition related depreciation and amortization expense*	\$ 36,481	\$ 38,296	(5)%
Bookings	1,342,382	1,378,551	(3)%
Backlog	175,317	232,704	(25)%

* Represents the pre-tax impact on earnings from the depreciation and amortization of acquisition accounting write-ups to reflect the fair value of inventory, property, plant and equipment, and intangible assets.

Electronic Technologies revenue was flat while earnings increased 7% when compared to the prior year. Revenue increases in the micro-acoustic component business were offset by a softening in the other markets served by the segment resulting in a 3% decline in core business revenue, excluding favorable foreign exchange rates. The segment's earnings benefited from the increased volume in the micro-acoustic component business, a \$7.5 million gain from the sale of a line of business (semi-conductor test handling), and cost savings from restructuring activities that were implemented in the first quarter of 2008.

Critical Accounting Policies

The Company's consolidated financial statements and related public financial information are based on the application of generally accepted accounting principles in the United States of America ("GAAP"). GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenue and expense amounts reported. These estimates can also affect supplemental information contained in the public disclosures of the Company, including information regarding contingencies, risk and its financial condition. The Company believes its use of estimates and underlying accounting assumptions conform to GAAP and are consistently applied. Valuations based on estimates are reviewed for reasonableness on a consistent basis throughout the Company. The Company believes that its significant accounting policies are primary areas where the financial information of the Company is subject to the use of estimates, assumptions and the application of judgement which include the following areas:

- Revenue is recognized when all of the following circumstances are satisfied: a) persuasive evidence of an arrangement exists, b) price is fixed or determinable, c) collectibility is reasonably assured, and d) delivery has occurred. In revenue transactions where installation is required, revenue can be recognized when the installation obligation is not essential to the functionality of the delivered products. Revenue transactions involving non-essential installation obligations are those which can generally be completed in a short period of time at insignificant cost and the skills required to complete these installations are not unique to the Company and in many cases can be provided by third parties or the customers. If the installation obligation is essential to the functionality of the delivered product, then revenue recognition is deferred until installation is complete. In addition, when it is determined that there are multiple deliverables to a sales arrangement, the Company will allocate consideration received to the separate deliverables based on their relative fair values and recognize revenue based on the appropriate criteria for each deliverable identified. In a limited number of revenue transactions, other post shipment obligations such as training and customer acceptance are required and, accordingly, revenue recognition is deferred until the customer is obligated to pay, or acceptance has been confirmed. Service revenue is recognized and earned when services are performed. Revenues associated with construction type contracts are recorded using the percentage-of-completion method. The Company recognizes contract revenue under percentage of completion accounting using the cost to cost method measure of progress. The application of percentage of completion accounting requires estimates of future revenues and contract costs over the full term of the contract. The Company updates project cost estimates on a quarterly basis or more frequently when changes in circumstances warrant.

- Inventory for the majority of the Company's subsidiaries, including all international subsidiaries, are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market. Other domestic inventory is stated at cost, determined on the last-in, first-out (LIFO) basis, which is less than market value. Under certain market conditions, estimates and judgments regarding the valuation of inventory are employed by the Company to properly value inventory. The Electronic Technologies companies tend to experience somewhat higher levels of inventory value fluctuations, particularly given the relatively high rate of product obsolescence over relatively short periods of time.
- Occasionally, the Company will establish restructuring reserves at an operation, in accordance with appropriate accounting principles. These reserves, for both severance and exit costs, require the use of estimates. Though the Company believes that these estimates accurately reflect the anticipated costs, actual results may be different than the estimated amounts.
- The Company has significant tangible and intangible assets on its balance sheet that include goodwill and other intangibles related to acquisitions. The valuation and classification of these assets and the assignment of useful depreciation and amortization lives involve significant judgments and the use of estimates. The testing of these intangibles under established accounting guidelines for impairment also requires significant use of judgment and assumptions, particularly as it relates to the identification of reporting units and the determination of fair market value. The Company's assets and reporting units are tested and reviewed for impairment on an annual basis during the fourth quarter or when indicators of impairment exist, such as a significant sustained change in the business climate, during the interim periods. The Company believes that its use of estimates and assumptions are reasonable and comply with generally accepted accounting principles. Changes in business conditions could potentially require adjustments to the valuations.
- The valuation of the Company's pension and other post-retirement plans requires the use of assumptions and estimates that are used to develop actuarial valuations of expenses and assets/liabilities. Inherent in these valuations are key assumptions, including discount rates, investment returns, projected salary increases and benefits, and mortality rates. The actuarial assumptions used in the Company's pension reporting are reviewed annually and are compared with external benchmarks to ensure that they accurately account for the Company's future pension obligations. Changes in assumptions and future investment returns could potentially have a material impact on the Company's pension expenses and related funding requirements. The Company's expected long-term rate of return on plan assets is reviewed annually based on actual returns, economic trends and portfolio allocation. The Company's discount rate assumption is determined by developing a yield curve based on high quality corporate bonds with maturities matching the plans' expected benefit payment streams. The plans' expected cash flows are then discounted by the resulting year-by-year spot rates.
- The Company has significant amounts of deferred tax assets that are reviewed for recoverability and valued accordingly. These assets are evaluated by using estimates of future taxable income streams and the impact of tax planning strategies. Reserves are also estimated, using a more likely than not criteria, for ongoing audits regarding federal, state and international issues that are currently unresolved. The Company routinely monitors the potential impact of these situations and believes that it is properly reserved. Valuations related to tax accruals and assets can be impacted by changes in accounting regulations, changes in tax codes and rulings, changes in statutory tax rates, and the Company's future taxable income levels. The provisions for uncertain tax positions provides a recognition threshold and measurement attribute for financial statement tax benefits taken or expected to be taken in a tax return and disclosure requirements regarding uncertainties in income tax positions. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. The Company records interest and penalties related to unrecognized tax benefits as a component of provision for income taxes.
- The Company has significant accruals and reserves related to the self-insured portion of its risk management program. These accruals require the use of estimates and judgment with regard to risk exposure and ultimate liability. The Company estimates losses under these programs using actuarial assumptions, the Company's experience and relevant industry data. The Company reviews these factors quarterly and considers the

current level of accruals and reserves adequate relative to current market conditions and Company experience.

- The Company has established reserves for environmental and legal contingencies at both the operating company and corporate levels. A significant amount of judgment and use of estimates is required to quantify the Company's ultimate exposure in these matters. The valuation of reserves for contingencies is reviewed on a quarterly basis at the operating and corporate levels to ensure that the Company is properly reserved. Reserve balances are adjusted to account for changes in circumstances for ongoing issues and the establishment of additional reserves for emerging issues. While the Company believes that the current level of reserves is adequate, future changes in circumstances could impact these determinations.
- The Company from time to time will discontinue certain operations for various reasons. Estimates are used to adjust, if necessary, the assets and liabilities of discontinued operations to their estimated fair market value. These estimates include assumptions relating to the proceeds anticipated as a result of the sale. The adjustments to fair market value of these operations provide the basis for the gain or loss when sold. Changes in business conditions or the inability to sell an operation could potentially require future adjustments to these estimates.
- The Company is required to recognize in its consolidated statements of operations the expense associated with all share based payment awards made to employees and directors, including stock options, stock appreciation rights (SARs), restricted stock and performance share awards. The Company uses the Black-Scholes valuation model to estimate the fair value of its SARs, and stock options that are granted to employees. The model requires management to estimate the expected life of the SAR or option, expected forfeitures and the volatility of the Company's stock using historical data. The Company uses the Monte Carlo simulation model to estimate fair value of performance share awards which also requires management to estimate the volatility of its stock and the volatility of returns on the stock of its peer group as well as the correlation of the returns between the companies in the peer group. For additional information related to the assumptions used, see Note 10 to the Consolidated Financial Statements in Item 8 of this Form 10-K.

Adoption of New Accounting Standards

2009

In December 2007, the FASB issued authoritative guidance under ASC 805, Business Combinations ("ASC 805"), which retains the fundamental requirements that the acquisition method of accounting (the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. In general, the statement 1) extends its applicability to all events where one entity obtains control over one or more other businesses, 2) broadens the use of fair value measurements used to recognize the assets acquired and liabilities assumed, 3) changes the accounting for acquisition related fees and restructuring costs incurred in connection with an acquisition, and 4) increases required disclosures. The Company has applied the provisions of this guidance prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The impact of these provisions did not have a material effect on the Company's consolidated financial statements since its adoption.

In April 2009, the FASB issued authoritative guidance under ASC 805 for the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. ASC 805 eliminates the distinction between contractual and non-contractual contingencies. The Company has applied the provisions of this guidance prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The impact of these provisions did not have a material effect on the Company's consolidated financial statements since its adoption.

In April 2008, the FASB issued authoritative guidance under ASC 350, Goodwill and Other Intangibles (“ASC 350”) and ASC 275, Risks and Uncertainties (“ASC 275”), to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the intangible asset. ASC 350 and ASC 275 amend the factors to be considered when developing renewal or extension assumptions that are used to estimate an intangible asset’s useful life. The guidance is to be applied prospectively to intangible assets acquired after December 31, 2008. In addition, ASC 350 and ASC 275 increase the disclosure requirements related to renewal or extension assumptions. The Company has applied the provisions of this guidance to business combinations for which the acquisition date is on or after January 1, 2009. The impact of ASC 350 and ASC 275 did not have a material effect on the Company’s consolidated financial statements since its adoption.

In December 2008, the FASB issued authoritative guidance under ASC 715, Compensation — Retirement Benefits (“ASC 715”) which amends the disclosure requirements about plan assets of a defined pension or other postretirement plan. The provisions of this guidance require disclosure of 1) how investment allocation decisions are made, including factors that are pertinent to an understanding of the investment policies and strategies, 2) the fair value of each major category of plan assets, 3) the inputs and valuation techniques used to determine fair value and 4) an understanding of significant concentration of risk in plan assets. The provisions of this guidance become effective for fiscal years ending after December 15, 2009 and are to be applied prospectively. The adoption of the amendments under ASC 715 did not have a material impact on the Company’s consolidated financial statements.

In May 2009, the FASB issued authoritative guidance under ASC 855, Subsequent Events (“ASC 855”) which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. ASC 855 became effective for interim or annual financial periods ending after June 15, 2009 and was adopted in the second quarter of 2009. The adoption of ASC 855 did not have a material effect on the Company’s consolidated financial statements.

In June 2009, the FASB issued authoritative guidance under ASC 105, Generally Accepted Accounting Principles (“ASC 105”), which establishes the FASB Accounting Standards Codification (“Codification”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. ASC 105 became effective for financial statements issued for interim periods ended after September 15, 2009. All content within the Codification carries the same level of authority. The adoption of ASC 105 did not have a material effect on the Company’s consolidated financial statements.

In April 2009, the FASB issued authoritative guidance under ASC 825, Financial Instruments (“ASC 825”) to require disclosures about fair value of financial instruments not measured on the balance sheet at fair value in interim financial statements as well as in annual financial statements. The provisions of this guidance require all entities to disclose the methods and significant assumptions used to estimate the fair value of financial instruments. ASC 825 became effective for interim periods ended after June 15, 2009 and does not require comparative disclosure for earlier periods presented upon initial adoption. The adoption of ASC 825 did not have a material effect on the Company’s consolidated financial statements.

2008

Effective December 31, 2006, the Company applied certain provisions of ASC 715 which required companies to report the funded status of their defined benefit pension and other postretirement benefit plans on their balance sheets as a net liability or asset. Upon adoption at December 31, 2006, the Company recorded a net reduction to shareholders’ equity of \$123.5 million, net of tax. In addition, effective for fiscal years ending after December 15, 2008, the new standard required companies to measure benefit obligations and plan assets as of a Company’s fiscal year end (December 31, 2008 for the Company), using one of the methods prescribed in the standard. The Company adopted the new valuation date requirements using the 15-month alternative, as prescribed in the standard, which resulted in a charge of approximately \$5.8 million, net of tax, to retained earnings during the fourth quarter of 2008.

In September 2006, the FASB issued authoritative guidance under ASC 820, Fair Value Measurements and Disclosures (“ASC 820”) which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. For financial assets and liabilities, this guidance was effective for fiscal periods beginning after November 15, 2007 and did not require any new fair value measurements. The

adoption of this guidance on January 1, 2008 did not have a material effect on the Company's consolidated financial statements. In February 2008, the FASB delayed the effective date for nonfinancial assets and liabilities to fiscal years beginning after November 15, 2008, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The adoption of the provisions of ASC 820 related to "non-financial assets" did not have a material effect on the Company's consolidated financial statements.

In February 2007, the FASB issued authoritative guidance under ASC 825 which permits entities to choose to measure many financial instruments and certain other items at fair value. This statement became effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company did not elect the fair value option for any of its existing financial instruments as of December 31, 2008 and the Company has not determined whether or not it will elect this option for financial instruments it may acquire in the future.

2007

Effective January 1, 2007, the Company adopted certain provisions under ASC 740, Income Taxes ("ASC 740") which specifies the way companies are to account for uncertainty in income tax reporting, and prescribes a methodology for recognizing, reversing and measuring the tax benefits of a tax position taken, or expected to be taken, in a tax return. As a result of adopting the new standard, the Company recorded a \$58.2 million increase to reserves as a "cumulative effect" decrease to opening retained earnings as of January 1, 2007, of which \$53.4 million was included in continuing operations. Including this "cumulative effect" adjustment, the Company had unrecognized tax benefits, net of indirect benefits and deposits, of \$190.5 million at January 1, 2007, of which \$35.4 million related to accrued interest and penalties. The portion of the unrecognized tax benefits at January 1, 2007 included in continuing operations totaled \$147.6 million, of which \$28.0 million related to accrued interest and penalties.

Non-GAAP Disclosures

In an effort to provide investors with additional information regarding the Company's results as determined by generally accepted accounting principles (GAAP), the Company also discloses non-GAAP information which management believes provides useful information to investors. Free cash flow, net debt, total debt, total capitalization, adjusted working capital, average annual adjusted working capital, revenues excluding the impact of changes in foreign currency exchange rates and organic revenue growth are not financial measures under GAAP and should not be considered as a substitute for cash flows from operating activities, debt or equity, revenue and working capital as determined in accordance with GAAP, and they may not be comparable to similarly titled measures reported by other companies. Management believes the (1) net debt to total capitalization ratio and (2) free cash flow are important measures of operating performance and liquidity. Net debt to total capitalization is helpful in evaluating the Company's capital structure and the amount of leverage it employs. Free cash flow provides both management and investors a measurement of cash generated from operations that is available to fund acquisitions, pay dividends, repay debt and repurchase the Company's common stock. Reconciliations of free cash flow, total debt and net debt can be found above in this Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation. Management believes that reporting adjusted working capital (also sometimes called "working capital"), which is calculated as accounts receivable, plus inventory, less accounts payable, provides a meaningful measure of the Company's operational results by showing the changes caused solely by revenue. Management believes that reporting adjusted working capital and revenues at constant currency, which excludes the positive or negative impact of fluctuations in foreign currency exchange rates, provides a meaningful measure of the Company's operational changes, given the global nature of Dover's businesses. Management believes that reporting organic revenue growth, which excludes the impact of foreign currency exchange rates and the impact of acquisitions, provides a useful comparison of the Company's revenue performance and trends between periods.

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, interest rate swaps attached thereto, 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 54 basis point increase or decrease in interest rates (10% of the Company's weighted average long-term debt interest rate) would have an immaterial effect on the fair value of the Company's long-term debt.
- Commercial paper borrowings are at variable interest rates, and have maturities of three months or less. A 25 basis point increase or decrease in the interest rates (100% 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. It has been determined that a 10% fluctuation of the Company's weighted average interest rate would have an immaterial impact on the Company's pre-tax earnings.
- Short-term investments consist of bank term deposits that have maturity dates that range from six to nine months. It has been determined that a 10% fluctuation of the Company's weighted average interest rate would have an immaterial impact on the Company's pre-tax earnings.
- As of December 31, 2009, the Company had two interest rate swaps outstanding, as discussed in Note 9 to the Consolidated Financial Statements. 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 non-U.S. countries, primarily in Canada, Mexico, substantially all of the European countries, Brazil, Argentina, Malaysia, China, India 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. The Company has generally accepted the exposure to exchange rate movements relative to its investment in non-U.S. operations. The Company may, from time to time, for a specific exposure, enter into fair value hedges. Certain individual operating companies that have foreign exchange exposure have established formal policies to mitigate risk in this area by using fair value and/or cash flow hedging. The Company has mitigated and will continue to mitigate a portion of its currency exposure through operation of non-U.S. operating companies in which the majority of all costs are local-currency based. A change of 5% or less in the value of all foreign currencies would not have a material effect on the Company's financial position and cash flows.

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FINANCIAL STATEMENT SCHEDULE

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(All other schedules are not required and have been omitted)

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f).

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control — Integrated Framework*.

Based on its assessment under the criteria set forth in *Internal Control — Integrated Framework*, management concluded that, as of December 31, 2009, the Company's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

In making its assessment of internal control over financial reporting as of December 31, 2009, management has excluded those companies acquired in purchase business combinations during 2009, which included Tyler Refrigeration, Mechanical Field Services, Ala Cart, Inc., Barker Company, Extech Instruments, and Inpro/Seal Company. These companies are wholly-owned by the Company and their total revenue for the year ended December 31, 2009 represents approximately 2.3% of the Company's consolidated total revenue for the same period and their assets represent approximately 3.1% of the Company's consolidated assets as of December 31, 2009.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2009 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their attestation report which appears herein.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Dover Corporation:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Dover Corporation and its subsidiaries at December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009 based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in "Management's Report on Internal Control Over Financial Reporting," appearing under Item 8. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 1 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertain income tax positions in 2007.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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As described in "Management's Report on Internal Control Over Financial Reporting," management has excluded Tyler Refrigeration, Mechanical Field Services LP, Ala Cart, Inc. Barker Company, Extech Instruments and Inpro/Seal Company from its assessment of internal control over financial reporting as of December 31, 2009 because they were acquired by the Company in purchase business combinations during 2009. We have also excluded Tyler Refrigeration, Mechanical Field Services LP, Ala Cart, Inc., Barker Company, Extech Instruments and Inpro/Seal Company from our audit of internal control over financial reporting. These companies are wholly owned by the Company and their total assets and revenue represent approximately 3.1% and 2.3%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2009.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York
February 19, 2010

DOVER CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2009	2008	2007
	(In thousands, except for per share figures)		
Revenue	\$ 5,775,689	\$ 7,568,888	\$ 7,317,270
Cost of goods and services	3,676,535	4,838,881	4,697,768
Gross profit	2,099,154	2,730,007	2,619,502
Selling and administrative expenses	1,511,111	1,700,677	1,614,005
Operating earnings	588,043	1,029,330	1,005,497
Interest expense, net	100,375	96,037	89,589
Other expense (income), net	(3,950)	(12,726)	3,541
Total interest/other expense, net	96,425	83,311	93,130
Earnings before provision for income taxes and discontinued operations	491,618	946,019	912,367
Provision for income taxes	119,724	251,261	242,617
Earnings from continuing operations	371,894	694,758	669,750
Loss from discontinued operations, net	(15,456)	(103,927)	(8,670)
Net earnings	\$ 356,438	\$ 590,831	\$ 661,080
Basic earnings (loss) per common share:			
Earnings from continuing operations	\$ 2.00	\$ 3.69	\$ 3.33
Loss from discontinued operations, net	(0.08)	(0.55)	(0.04)
Net earnings	1.91	3.13	3.28
Weighted average shares outstanding	186,136	188,481	201,330
Diluted earnings (loss) per common share:			
Earnings from continuing operations	\$ 1.99	\$ 3.67	\$ 3.30
Loss from discontinued operations, net	(0.08)	(0.55)	(0.04)
Net earnings	1.91	3.12	3.26
Weighted average shares outstanding	186,736	189,269	202,918
Dividends paid per common share	\$ 1.02	\$ 0.90	\$ 0.77

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

	Years Ended December 31,		
	2009	2008	2007
Weighted average shares outstanding — Basic	186,136	188,481	201,330
Dilutive effect of stock options, SARS and performance shares	600	788	1,588
Weighted average shares outstanding — Diluted	186,736	189,269	202,918
Anti-dilutive options/SAR's excluded from diluted EPS computation	9,176	5,103	3,241

See Notes to Consolidated Financial Statements.

DOVER CORPORATION
CONSOLIDATED BALANCE SHEETS

	At December 31, 2009	At December 31, 2008
(In thousands)		
Current assets:		
Cash and equivalents	\$ 714,365	\$ 547,409
Short-term investments	223,809	279,460
Receivables, net of allowances of \$41,832 and \$32,647	878,754	1,013,174
Inventories, net	570,858	636,121
Prepaid and other current assets	64,922	80,268
Deferred tax asset	69,999	73,687
Total current assets	<u>2,522,707</u>	<u>2,630,119</u>
Property, plant and equipment, net	828,922	872,134
Goodwill	3,350,217	3,255,566
Intangible assets, net	950,748	952,409
Other assets and deferred charges	113,108	103,904
Assets of discontinued operations	116,701	69,106
Total assets	<u>\$ 7,882,403</u>	<u>\$ 7,883,238</u>
Current liabilities:		
Notes payable and current maturities of long-term debt	\$ 35,624	\$ 224,944
Accounts payable	357,004	373,436
Accrued compensation and employee benefits	210,804	305,572
Accrued insurance	107,455	104,938
Other accrued expenses	219,295	209,619
Federal and other taxes on income	38,994	35,005
Total current liabilities	<u>969,176</u>	<u>1,253,514</u>
Long-term debt	1,825,260	1,860,729
Deferred income taxes	292,344	314,405
Other deferrals	573,137	582,601
Liabilities of discontinued operations	138,878	79,123
Commitments and contingent liabilities		
Stockholders' Equity:		
Preferred stock	—	—
Common stock	247,342	246,615
Additional paid-in capital	497,291	455,228
Accumulated other comprehensive earnings	84,842	10,816
Retained earnings	5,453,022	5,286,458
Common stock in treasury	(2,198,889)	(2,206,251)
Total stockholders' equity	<u>4,083,608</u>	<u>3,792,866</u>
Total liabilities and stockholders' equity	<u>\$ 7,882,403</u>	<u>\$ 7,883,238</u>

See Notes to Consolidated Financial Statements.

DOVER CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND
COMPREHENSIVE EARNINGS

	Common Stock \$1 Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Earnings (Loss)	Retained Earnings (In thousands)	Treasury Stock	Total Stockholders' Equity	Comprehensive Earnings (Loss)
Balance at December 31, 2006	\$ 242,293	\$ 241,455	\$ 48,852	\$ 4,421,927	\$ (1,143,505)	\$ 3,811,022	\$ 676,360
Cumulative effect of adoption of ASC 740 (See Note 4)				(58,157)		(58,157)	
Net earnings				661,080		661,080	\$ 661,080
Dividends paid				(154,390)		(154,390)	
Common stock issued for options exercised	2,241	73,897				76,138	
Tax benefit from the exercise of stock options				10,319		10,319	
Stock-based compensation expense						26,714	
Common stock issued, net of cancellations	14	646				660	
Common stock acquired					(596,009)	(596,009)	
Translation of foreign financial statements				116,933		116,933	116,933
Unrealized holding gains, net of tax of (\$302)				561		561	561
Pension amortization and adjustment, net of tax of (\$27,276)				51,302		51,302	51,302
Balance at December 31, 2007	\$ 244,546	\$ 353,031	\$ 217,648	\$ 4,870,460	\$ (1,739,514)	\$ 3,946,173	\$ 829,876
Effect of adoption of ASC 715, change in measurement date				1,960		(3,802)	
Net earnings				(5,762)		(5,762)	
Dividends paid				590,831		590,831	\$ 590,831
Common stock issued for options exercised	2,038	68,549		(169,071)		(70,587)	
Tax benefit from the exercise of stock options						8,449	
Stock-based compensation expense						24,367	
Common stock issued, net of cancellations	29	832				861	
Common stock acquired					(466,737)	(466,737)	
Translation of foreign financial statements				(146,433)		(146,433)	(146,433)
Unrealized holding losses, net of tax of \$582				(1,081)		(1,081)	(1,081)
Pension amortization and adjustment, net of tax of \$31,923				(61,278)		(61,278)	(61,278)
Balance at December 31, 2008	\$ 246,615	\$ 455,228	\$ 10,816	\$ 5,286,458	\$ (2,206,251)	\$ 3,792,866	\$ 382,039
Net earnings				356,438		356,438	\$ 356,438
Dividends paid				(189,874)		(189,874)	
Common stock issued for options exercised	712	24,807				25,519	
Tax benefit from the exercise of stock options						425	
Stock-based compensation expense						17,176	
Common stock issued, net of cancellations	15	617				632	
Issuance of Treasury stock		(962)			7,362	6,400	
Translation of foreign financial statements				76,442		76,442	76,442
Unrealized holding gains, net of tax of (\$582)				1,091		1,091	1,091
Pension amortization and adjustment, net of tax of \$1,740				(3,507)		(3,507)	(3,507)
Balance at December 31, 2009	\$ 247,342	\$ 497,291	\$ 84,842	\$ 5,453,022	\$ (2,198,889)	\$ 4,083,608	\$ 430,464

See Notes to Consolidated Financial Statements.

DOVER CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,		
	2009	2008	2007
	(In thousands,)		
Operating Activities of Continuing Operations			
Net earnings	\$ 356,438	\$ 590,831	\$ 661,080
Adjustments to reconcile net earnings to net cash from operating activities:			
Loss from discontinued operations	15,456	103,927	8,670
Depreciation and amortization	258,223	261,154	243,776
Stock-based compensation	17,912	25,246	26,292
Provision for losses on accounts receivable	17,260	12,040	6,372
Deferred income taxes	(23,062)	33,459	(30,010)
Employee retirement benefits	37,221	36,275	49,900
Gain on sale of line of business	—	(7,518)	—
Other non-current, net	26,609	(33,081)	(70,012)
Cash effect of changes in current assets and liabilities (excluding effects of acquisitions, dispositions and foreign exchange):			
Accounts receivable	163,054	36,427	(13,927)
Inventories	97,241	27,128	60,662
Prepaid expenses and other assets	18,296	882	(16,203)
Accounts payable	(31,306)	(19,273)	(9,099)
Accrued expenses	(95,647)	26,161	2,905
Accrued taxes	23,319	(27,881)	29,824
Contributions to employee benefit plans	(78,954)	(55,361)	(22,537)
Net cash provided by operating activities of continuing operations	802,060	1,010,416	927,693
Investing Activities of Continuing Operations			
Sale of short-term investments	406,033	—	—
Purchase of short-term investments	(348,439)	(279,460)	—
Proceeds from the sale of property and equipment	22,973	13,248	24,195
Additions to property, plant and equipment	(120,009)	(175,795)	(173,653)
Proceeds from sales of businesses	3,571	92,774	90,966
Acquisitions (net of cash and cash equivalents acquired)	(221,994)	(103,761)	(273,610)
Net cash used in investing activities of continuing operations	(257,865)	(452,994)	(332,102)
Financing Activities of Continuing Operations			
Increase (decrease) in notes payable, net	(192,749)	(412,723)	347,192
Reduction of long-term debt	(33,908)	(186,390)	(33,478)
Proceeds from long-term-debt	—	594,120	3,895
Purchase of treasury stock	—	(466,737)	(596,009)
Proceeds from exercise of stock options, including tax benefits	26,578	79,897	87,117
Dividends to stockholders	(189,874)	(169,071)	(154,390)
Net cash used in financing activities of continuing operations	(389,953)	(560,904)	(345,673)
Cash Flows From Discontinued Operations			
Net cash used in operating activities of discontinued operations	(5,967)	(7,592)	(46,458)
Net cash used in investing activities of discontinued operations	(888)	(1,805)	(4,251)
Net cash used in discontinued operations	(6,855)	(9,397)	(50,709)
Effect of exchange rate changes on cash and cash equivalents	19,569	(45,817)	34,175
Net increase (decrease) in cash and cash equivalents	166,956	(58,696)	233,384
Cash and cash equivalents at beginning of period	547,409	606,105	372,721
Cash and cash equivalents at end of period	\$ 714,365	\$ 547,409	\$ 606,105
Supplemental information — cash paid during the year for:			
Income taxes	\$ 115,047	\$ 212,348	\$ 275,505
Interest	\$ 116,847	\$ 120,834	\$ 112,243

See Notes to Consolidated Financial Statements.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Description of Business

Dover Corporation (the “Company”) is a diversified, multinational manufacturing corporation comprised of operating companies that manufacture a broad range of specialized industrial products and components as well as related services and consumables. The Company also provides engineering, testing and other similar services, which are not significant in relation to consolidated revenue. The Company’s operating companies are based primarily in the United States of America and Europe with manufacturing and other operations throughout the world. The Company reports its results in four segments, Industrial Products, Engineered Systems, Fluid Management and Electronic Technologies. For additional information on the Company’s segments, see Note 14.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. The results of operations of purchased businesses are included from the dates of acquisitions. The assets, liabilities, results of operations and cash flows of all discontinued operations have been separately reported as discontinued operations for all periods presented. Certain amounts in prior years have been reclassified to conform to the current year presentation.

2. Acquisitions

All of the Company’s acquisitions have been accounted for under Accounting Standard Codification (“ASC”) 805, Business Combinations (“ASC 805”). Accordingly, the accounts of the acquired companies, after adjustments to reflect fair market values assigned to assets and liabilities, have been included in the consolidated financial statements from their respective dates of acquisition. The 2009 acquisitions (see list below) are wholly-owned and had an aggregate cost of \$222.0 million, net of cash acquired, plus the issuance of \$6.4 million of common stock for aggregate consideration of \$228.4 million at the date of acquisition. There is no material contingent consideration related to the acquisitions at December 31, 2009. In connection with certain acquisitions that occurred prior to January 1, 2009, the Company had reserves related to severance and facility closings of \$0.9 million and \$27.9 million at December 31, 2009 and 2008, respectively. During the twelve months ended December 31, 2009 the reserves were reduced by payments of \$11.6 million and non-cash adjustments of \$15.4 million. During the twelve months ended December 31, 2008, the Company recorded payments and non-cash adjustments of \$28.1 million and \$2.3 million, respectively.

2009 Acquisitions

<u>Date</u>	<u>Type</u>	<u>Acquired Companies</u>	<u>Location (Near)</u>	<u>Segment</u>	<u>Platform</u>	<u>Company</u>
8-May	Asset	Tyler Refrigeration	Niles, MI	Engineered Systems	Engineered Products	Hill PHOENIX
		Manufacturer of refrigerated specialty display merchandisers and refrigeration systems for the food retail industry.				
24-Aug	Asset	Mechanical Field Services	Gardendale, TX	Fluid Management	Energy	Cook Compression
		Manufacturer of air and gas compressors				
12-Nov	Asset	Ala Cart, Inc.	Charlotte, NC	Engineered Systems	Engineered Products	Unified Brands
		Manufacturer of foodservice equipment, ventilation and conveyor systems.				
17-Nov	Asset/Stock	Barker Company	Keosauqua, IA	Engineered Systems	Engineered Products	Hill PHOENIX
		Manufacturer of refrigerated, non-refrigerated and hot display cases.				
15-Dec	Asset	Exttech Instruments	Waltham, MA	Engineered Systems	Product Identification	Datamax O’Neil
		Developer of portable printers for enterprise-wide applications.				
30-Dec	Asset	Inpro/Seal Company	Rock Island, IL	Fluid Management	Energy	Waukesha Bearings
		Manufacturer of metallic gaskets and machined seals, parts and components for ball and roller bearings.				

On May 8, 2009, Hill PHOENIX acquired certain assets and intellectual property of Tyler Refrigeration, a manufacturer of refrigerated display merchandiser and refrigeration systems for the food industry which was a unit

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

of Carrier Corporation. Hill PHOENIX also purchased Tyler's five service and installation branch businesses. Tyler enhances the Company's portfolio of industry-leading proprietary technology and adds key talent that augments product innovation, engineering, field support and other customer related functions at Hill PHOENIX. The transaction also improves the Company's position in commercial refrigeration.

On November 17, 2009, Hill PHOENIX acquired substantially all of the assets of Barker Company, Limited and all of the issued and outstanding stock of its sister company, Barker Sales and Service, Inc. (collectively the "Barker Company"). The Barker Company specializes in manufacturing display cases for supermarkets, convenience stores and food service. The Barker Company will complement and substantially increase Hill PHOENIX's specialty product offerings and enable Hill PHOENIX to meet increasing demand for more specialized and highly customized products in the fast-growing specialty merchandiser segment. Hill PHOENIX will also benefit from capabilities sharing, an improved cost position and revenue synergies.

On December 30, 2009, Waukesha Bearings acquired substantially all of the assets of Inpro/Seal Company, a manufacturer of bearing isolator technologies. The purchase included the issuance of approximately 151,000 common shares. These shares have a six month restriction on sale. The acquisition of Inpro/Seal Company adds a broad range of rotating equipment applications and is an adjacent product line to Waukesha's bearing solutions for oil and gas and power generation markets. The Inpro/Seal Company brand has been very successful in North America and, when leveraged across Waukesha's global footprint, is expected to provide opportunities for growth internationally. Waukesha expects to realize additional synergies through the Company's global sourcing initiatives and from joint technology development as manufacturers and end-users of rotating equipment seek more advanced, integrated solutions.

For certain acquisitions that occurred in the fourth quarter of 2009, the Company is in the process of obtaining or finalizing appraisals of tangible and intangible assets and it is continuing to evaluate the initial purchase price allocations, as of the acquisition date, which will be adjusted as additional information relative to the fair values of the assets and liabilities of the businesses become known. Accordingly, management has used their best estimate in the initial purchase price allocation as of the date of these financial statements.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as of the dates of all 2009 acquisitions and the amounts assigned to goodwill and intangible asset classifications:

	<u>2009</u>
	<u>(In thousands)</u>
Current assets, net of cash acquired	\$ 43,757
PP&E	11,631
Goodwill	93,689
Intangibles	93,936
Other assets	1,274
Total assets acquired	244,287
Total liabilities assumed	(15,893)
Net assets acquired	<u>\$ 228,394</u>

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The amounts assigned to goodwill and major intangible asset classifications by segment for the 2009 acquisitions are as follows:

	Fluid Management	Engineered Systems	Total	Average Amortization Period (Years)
	(dollar amounts in thousands)			
Goodwill — Tax deductible	\$ 43,882	\$ 49,807	\$ 93,689	N/A
Trademarks	3,900	5,000	8,900	15
Patents	1,700	—	1,700	10-15
Customer intangibles	38,706	39,180	77,886	5-15
Unpatented technologies	—	4,400	4,400	5-15
Other intangibles	—	1,050	1,050	3-7
	<u>\$ 88,188</u>	<u>\$ 99,437</u>	<u>\$ 187,625</u>	

2008 Acquisitions

Date	Type	Acquired Companies	Location (Near)	Segment	Platform	Company
1-Mar	Stock	LANTEC Winch and Gear, Inc.	Langley, B.C.	Industrial Products	Material Handling	Tulsa Winch
Manufacturer of hydraulic winches, hoists and gear reducers, serving the oil and gas, infrastructure and marine markets.						
1-Apr	Asset	Brady's Mining & Construction Supply Co.	St. Louis, Missouri	Fluid Management	Energy	EPG
Manufacturer of diamond roof drill bits and support products specifically designed for underground mining operations.						
10-Apr	Asset	Neptune Chemical Pump Company	Lansdale, PA	Fluid Management	Fluid Solutions	Pump Solutions Group
Manufacturer of chemical metering pumps, chemical feed systems and peripheral products.						
31-Dec	Stock	Hilap Fittings Ltd	Calgary, Alberta	Fluid Management	Fluid Solutions	OPW FTG
Manufacturer of high and low temperature & pressure sealing and product recovery technologies.						

Pro Forma Information

The following unaudited pro forma information illustrates the effect on the Company's revenue and net earnings for the twelve-month periods ended December 31, 2009 and 2008, assuming that the 2009 and 2008 acquisitions had all taken place on January 1, 2008.

	Years Ended December 31,	
	2009	2008
	(In thousands, except per share figures)	
Revenue from continuing operations:		
As reported	\$ 5,775,689	\$ 7,568,888
Pro forma	\$ 5,952,091	\$ 7,954,788
Net earnings from continuing operations:		
As reported	\$ 371,894	\$ 694,758
Pro forma	\$ 379,120	\$ 708,468
Basic earnings per share from continuing operations:		
As reported	\$ 2.00	\$ 3.69
Pro forma	\$ 2.04	\$ 3.76
Diluted earnings per share from continuing operations:		
As reported	\$ 1.99	\$ 3.67
Pro forma	\$ 2.03	\$ 3.74
Average shares — Basic	186,136	188,481
Average shares — Diluted	186,736	189,269

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

These pro forma results of operations have been prepared for comparative purposes only and include certain adjustments to actual financial results for the relevant periods, such as imputed financing costs, and estimated additional amortization and depreciation expense as a result of intangibles and fixed assets acquired, measured at fair value. They do not purport to be indicative of the results of operations that actually would have resulted had the acquisitions occurred on the date indicated or that may result in the future.

3. Dispositions

2009

During the first and fourth quarters of 2009, the Company recorded in aggregate, a \$10.3 million (after-tax) write-down to the carrying value of a business held for sale. The write-down and other adjustments resulted in a net after-tax loss on sale of approximately \$11.2 million for the year. The after-tax loss from discontinued operations for the twelve months ended December 31, 2009 is approximately \$15.5 million. At December 31, 2009, only one business remains held for sale.

2008

During the fourth quarter of 2008 the Company closed on a sale of a line of business in the Electronic Technologies segment resulting in a \$7.5 million (after-tax) gain, which was recorded in Selling and administrative expenses in the Consolidated Statements of Operations.

The major classes of discontinued assets and liabilities included in the Consolidated Balance Sheets are as follows:

	<u>At December 31,</u> <u>2009</u>	<u>At December 31,</u> <u>2008</u>
	(In thousands)	
Assets of Discontinued Operations		
Current assets	\$ 73,284	\$ 32,498
Non-current assets	43,417	36,608
	<u>\$ 116,701</u>	<u>\$ 69,106</u>
Liabilities of Discontinued Operations		
Current liabilities	\$ 25,919	\$ 13,371
Non-current liabilities	112,959	65,752
	<u>\$ 138,878</u>	<u>\$ 79,123</u>

In addition to the entity currently held for sale in discontinued operations, the assets and liabilities of discontinued operations include residual amounts related to businesses previously sold. These residual amounts include property, plant and equipment, deferred tax assets, short and long-term reserves, and contingencies.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Summarized results of the Company's discontinued operations are detailed in the following table:

	Years Ended Ended December 31,		
	2009	2008	2007
	(In thousands)		
Revenue	\$ 55,275	\$ 84,065	\$ 169,924
Loss on sale, net of taxes(1)	\$ (11,170)	\$ (101,692)	\$ (4,086)
Earnings (loss) from operations before taxes	(2,062)	(3,886)	(14,619)
Benefit (provision) for income taxes related to operations	(2,224)	1,651	10,035
Loss from discontinued operations, net of tax	<u>\$ (15,456)</u>	<u>\$ (103,927)</u>	<u>\$ (8,670)</u>

(1) Includes impairments and other adjustments to previously sold discontinued operations.

Additional information related to the after-tax loss on sale of \$101.7 million recorded in discontinued operations during 2008 is as follows:

- During the fourth quarter of 2008, the Company recorded an additional \$21.3 million (after tax) write-down to the carrying value of Triton, an operating company previously included in the Engineered Systems segment, to its estimated fair market value and recorded other gains of \$0.6 million after tax related to previously sold companies.
- In addition, during the fourth quarter of 2008, the Company reached final settlement on certain Federal tax matters related to businesses previously discontinued and sold, resulting in a charge of approximately \$15.0 million in discontinued operations. Also, consistent with ASC 740, Income Taxes ("ASC 740"), the Company recognized certain state tax assessments related to previously sold discontinued operations, resulting in a charge of approximately \$13.0 million and other adjustments totaling a benefit of approximately \$0.8 million, after tax.
- During the third quarter of 2008, the Company completed the sale of a previously discontinued business and recorded other adjustments, resulting in a net loss of approximately \$0.7 million, after tax.
- During the second quarter of 2008, the Company discontinued Triton and reclassified Crenlo, which had been included in discontinued operations since the third quarter of 2007, into the Industrial Products segment. In the second quarter of 2008, the Company recorded a \$51.1 million (after tax) write-down to the carrying value of Triton to its estimated fair market value.
- During the first quarter of 2008, the Company recorded adjustments to the carrying value of a business held for sale and other adjustments resulting in a net after tax loss of approximately \$2.0 million.

During 2007, the Company discontinued two businesses, of which one was sold during the same year. In addition, the Company sold five businesses that were previously discontinued. Additional information related to the after-tax loss on sale of \$17.1 million recorded in discontinued operations during 2007 is as follows:

- During the fourth quarter of 2007, the Company completed the sale of Graphics Microsystems and recorded other adjustments for an after-tax gain of \$13.3 million.
- During the third quarter of 2007, the Company recorded as discontinued businesses, Crenlo and Graphics Microsystems. In addition, during the third quarter of 2007, the Company finalized the sale of two previously discontinued businesses and recorded other adjustments resulting in a net after-tax loss of \$1.6 million.
- During the second quarter of 2007, the Company completed the sale of a previously discontinued business and recorded other adjustments for businesses still held for sale, resulting in a net loss of approximately \$5.0 million (\$8.3 million after-tax).

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. These estimates may be adjusted due to changes in future economic, industry or customer financial conditions, as well as changes in technology or demand. Significant estimates include allowances for doubtful accounts receivable, net realizable value of inventories, restructuring reserves, valuation of goodwill and intangible assets, pension and post retirement assumptions, useful lives associated with amortization and depreciation of intangibles and fixed assets, warranty reserves, income taxes and tax valuation reserves, environmental reserves, legal reserves, insurance reserves and the valuations of discontinued assets and liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term investments which are highly liquid in nature and have original maturities at the time of purchase of three months or less.

Short-Term Investments

Short-term investments consist of bank term deposits that have original maturity dates that range from six to nine months. At December 31, 2009 and 2008, the Company had \$223.8 million and \$279.5 million of bank term deposits that earn a weighted average interest rate of 1.01% and 4.68%, respectively.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable is composed principally of trade accounts receivable that arise primarily from the sale of goods or services on account and are stated at historical cost. Management at each operating company evaluates accounts receivable to estimate the amount of accounts receivable that will not be collected in the future and records the appropriate provision. The provision for doubtful accounts is recorded as a charge to operating expense and reduces accounts receivable. The estimated allowance for doubtful accounts is based primarily on management's evaluation of the aging of the accounts receivable balance, the financial condition of its customers, historical trends and the time outstanding of specific balances. Actual collections of accounts receivable could differ from management's estimates due to changes in future economic, industry or customers' financial conditions.

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables, accounts payable, notes payable and accrued expenses approximated fair value as of December 31, 2009 and 2008 due to the short maturity of less than one year for these instruments.

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

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

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

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Level 3: unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table sets forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis at December 31, 2009 by the level within the fair value hierarchy:

	Fair Value Measurements at December 31, 2009			Fair Value Measurements at December 31, 2008		
	Level 1	Level 2 (In millions)	Level 3	Level 1	Level 2 (In millions)	Level 3
Short Term Investments	\$223.8	\$—	\$—	\$279.5	\$—	\$—

Short term investments are included in current assets in the Consolidated Balance Sheets, and generally consist of bank term deposits with original maturities greater than 90 days.

Inventories

Inventories for the majority of the Company's subsidiaries, including all international subsidiaries, are stated at the lower of cost, determined on the first-in, first-out (FIFO) basis, or market. Other domestic inventory is stated at cost, determined on the last-in, first-out (LIFO) basis, which is less than market value. Future inventory valuations could differ from management's estimates due to changes in economic, industry or customer financial conditions, as well as unanticipated changes in technology or demand.

Property, Plant and Equipment

Property, plant and equipment includes the historic cost of land, buildings, equipment and significant improvements to existing plant and equipment or, in the case of acquisitions, a fair market value appraisal of such assets completed at the time of acquisition. Expenditures for maintenance, repairs and minor renewals are expensed as incurred. When property or equipment is sold or otherwise disposed of, the related cost and accumulated depreciation is removed from the respective accounts and the gain or loss realized on disposition is reflected in earnings. Depreciation expense was \$159.6 million in 2009, \$159.3 million in 2008 and \$151.7 million in 2007 and was calculated on a straight-line basis for assets acquired during all periods presented. The Company depreciates its assets over their estimated useful lives as follows: buildings and improvements 5 to 31.5 years; machinery and equipment 3 to 7 years; furniture and fixtures 3 to 7 years; and vehicles 3 years.

Derivative Instruments

The Company periodically enters into financial transactions specifically to hedge its exposures to various items, including, but not limited to, interest rate and foreign exchange rate risk. Through various programs, the Company hedges its cash flow exposures to foreign exchange rate risk by entering into foreign exchange forward contracts and collars. The Company does not enter into derivative financial instruments for speculative purposes and does not have a material portfolio of derivative financial instruments.

The Company recognizes all derivatives as either assets or liabilities on the balance sheet and measures those instruments at fair value. If the derivative is designated as a fair value hedge and is effective, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings as offsets to the changes in fair value of the exposures being hedged in the same period. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive earnings and are recognized in earnings as the hedged transaction occurs. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings immediately.

Tests for hedge ineffectiveness are conducted periodically and any ineffectiveness found is recognized in the Consolidated Statements of Operations. The fair market value of all outstanding transactions is recorded in Other assets and deferred charges, or in the Other deferrals section of the balance sheet, as applicable. The corresponding

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

change in value of the hedged assets/liabilities is recorded directly in that section of the Consolidated Balance Sheets.

Goodwill

Goodwill is the excess of the acquisition cost of businesses over the fair value of the identifiable net assets acquired. In accordance with ASC 350, Intangibles — Goodwill and Other (“ASC 350”), the Company does not amortize goodwill. Instead, goodwill is tested for impairment annually unless indicators of impairment exist, such as a significant sustained change in the business climate, during the interim periods.

For 2009 and 2008, the Company identified 10 reporting units each year for its annual goodwill test which was performed as of September 30. Step one of the test compared the fair value of the reporting unit using a discounted cash flow method to its book value. This method uses the Company’s own market assumptions including projecting future cash flows, determining appropriate discount rates, and other assumptions which are reasonable and inherent in the discounted cash flow analysis. The projections are based on historical performance and future estimated results. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. Step two, which compares the book value of the goodwill to its implied fair value, was not necessary since there were no indicators of potential impairment from step one. For information related to the amount of the Company’s goodwill by segment, see Note 7.

Indefinite-Lived Intangible Assets

Similar to goodwill, the Company tests indefinite-lived, intangible assets (primarily trademarks) at least annually unless indicators of impairment exist, such as a significant sustained change in the business climate, during the interim periods. In performing these tests, the Company uses a discounted cash flow method to calculate and compare the fair value of the intangible to its book value. This method uses the Company’s own market assumptions which are reasonable and inherent in the discounted cash flow analysis. If the fair value is less than the book value of the intangibles, an impairment charge would be recognized. For information related to the amount of the Company’s intangible asset classes, see Note 7.

Long-Lived Assets

In accordance with ASC 360, Property Plant and Equipment (“ASC 360”) long-lived assets (including intangible assets that are amortized) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, such as a significant sustained change in the business climate, during the interim periods. If an indicator of impairment exists for any grouping of assets, an estimate of undiscounted future cash flows is produced and compared to its carrying value. If an asset is determined to be impaired, the loss is measured by the excess of the carrying amount of the asset over its fair value as determined by an estimate of discounted future cash flows. There were no indicators of impairment noted during 2009.

Foreign Currency

Assets and liabilities of non-U.S. subsidiaries, where the functional currency is not the U.S. dollar, have been translated at year-end exchange rates and profit and loss accounts have been translated using weighted average yearly exchange rates. Adjustments resulting from translation have been recorded in the equity section of the balance sheet as cumulative translation adjustments. Assets and liabilities of an entity that are denominated in currencies other than an entity’s functional currency are remeasured into the functional currency using end of period exchange rates or historical rates where applicable to certain balances. Gains and losses related to these remeasurements are recorded within the Statements of Operations as a component of Other Expense (Income), net.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Revenue Recognition

Revenue is recognized when all of the following circumstances are satisfied: a) persuasive evidence of an arrangement exists, b) price is fixed or determinable, c) collectability is reasonably assured, and d) delivery has occurred. In revenue transactions where installation is required, revenue can be recognized when the installation obligation is not essential to the functionality of the delivered products. Revenue transactions involving non-essential installation obligations are those which can generally be completed in a short period of time at insignificant cost and the skills required to complete these installations are not unique to the Company and in many cases can be provided by third parties or the customers. If the installation obligation is essential to the functionality of the delivered product, revenue recognition is deferred until installation is complete. In addition, when it is determined that there are multiple deliverables to a sales arrangement, the Company will allocate consideration received to the separate deliverables based on their relative fair values and recognize revenue based on the appropriate criteria for each deliverable identified. In a limited number of revenue transactions, other post-shipment obligations such as training and customer acceptance are required and, accordingly, revenue recognition is deferred until the customer is obligated to pay, or acceptance has been confirmed. Service revenue is recognized and earned when services are performed and is not significant to any period presented. The Company recognizes contract revenue under percentage of completion accounting using the cost to cost method as the measure of progress. The application of percentage of completion accounting requires estimates of future revenues and contract costs over the full term of the contract. The Company updates project cost estimates on a quarterly basis or more frequently, when changes in circumstances warrant.

Stock-Based Compensation

The Company records stock-based compensation expense on a straight-line basis, generally over the explicit service period of three years (except for retirement eligible employees and retirees). Awards granted to retirement eligible employees are expensed immediately and the Company shortens the vesting period, for expensing purposes, for any employee who will become eligible to retire within the three-year explicit service period. Expense for these employees is recorded over the period from the date of grant through the date the employee first becomes eligible to retire and is no longer required to provide service. For additional information related to stock-based compensation, including activity for 2009, 2008 and 2007, see Note 10.

Income Taxes

The provision for income taxes on continuing operations includes federal, state, local and non-U.S. taxes. Tax credits, primarily for research and experimentation and non-U.S. earnings, export programs, and U.S. manufacturer's tax deduction are recognized as a reduction of the provision for income taxes on continuing operations in the year in which they are available for tax purposes. Deferred taxes are provided on temporary differences between assets and liabilities for financial and tax reporting purposes as measured by enacted tax rates expected to apply when temporary differences are settled or realized. Future tax benefits are recognized to the extent that realization of those benefits is considered to be more likely than not. A valuation allowance is established for deferred tax assets for which realization is not assured. The Company has not provided for any residual U.S. income taxes on unremitted earnings of non-U.S. subsidiaries as such earnings are currently intended to be indefinitely reinvested.

ASC 740 specifies the way companies are to account for uncertainty in income tax reporting, and prescribes a methodology for recognizing, reversing and measuring the tax benefits of a tax position taken, or expected to be taken, in a tax return. The provisions of this guidance became effective January 1, 2007 and, as a result of adopting these provisions, the Company recorded a \$58.2 million increase to reserves as a "cumulative effect" decrease to opening retained earnings as of January 1, 2007, of which \$53.4 million was included in continuing operations. Including this "cumulative effect" adjustment, the Company had unrecognized tax benefits, net of indirect benefits and deposits, of \$190.5 million at January 1, 2007, of which \$35.4 million related to accrued interest and penalties. The portion of the unrecognized tax benefits at January 1, 2007 included in continuing operations totaled

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

\$147.6 million, of which \$28.0 million related to accrued interest and penalties. For additional information on the Company's income taxes and unrecognized tax benefits, see Note 11.

Research and Development Costs

Research and development costs, including qualifying engineering costs, are expensed when incurred and amounted to \$178.3 million in 2009, \$189.2 million in 2008 and \$193.2 million in 2007.

Risk, Retention, Insurance

The Company currently self-insures its product and commercial general liability claims up to \$5.0 million per occurrence, its workers' compensation claims up to \$0.5 million per occurrence, and automobile liability claims up to \$1.0 million per occurrence. Third-party insurance provides primary level coverage in excess of these amounts up to certain specified limits. In addition, the Company has excess liability insurance from third-party insurers on both an aggregate and an individual occurrence basis well in excess of the limits of the primary coverage. A worldwide program of property insurance covers the Company's owned and leased property and any business interruptions that may occur due to an insured hazard affecting those properties, subject to reasonable deductibles and aggregate limits. The Company's property and casualty insurance programs contain various deductibles that, based on the Company's experience, are typical and customary for a company of its size and risk profile. The Company does not consider any of the deductibles to represent a material risk to the Company. The Company generally maintains deductibles for claims and liabilities related primarily to workers' compensation, health and welfare claims, general commercial, product and automobile liability and property damage, and business interruption resulting from certain events. The Company accrues for claim exposures that are probable of occurrence and can be reasonably estimated. As part of the Company's risk management program, insurance is maintained to transfer risk beyond the level of self-retention and provides protection on both an individual claim and annual aggregate basis.

5. Inventories

The following table displays the components of inventory:

	<u>At December 31,</u> 2009	<u>At December 31,</u> 2008
	(In thousands)	
Raw materials	\$ 291,340	\$ 319,407
Work in progress	136,726	144,017
Finished goods	191,853	231,507
Subtotal	619,919	694,931
Less LIFO reserve	49,061	58,810
Total	\$ 570,858	\$ 636,121

At December 31, 2009 and 2008, domestic inventories, determined by the LIFO inventory method amounted to \$60.4 million and \$56.4 million, respectively.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Property, Plant & Equipment

The following table details the components of property, plant & equipment, net:

	At December 31, 2009	At December 31, 2008
	(In thousands)	
Land	\$ 48,010	\$ 49,015
Buildings and improvements	555,262	547,223
Machinery, equipment and other	1,840,638	1,792,615
	2,443,910	2,388,853
Accumulated depreciation	(1,614,988)	(1,516,719)
Total	\$ 828,922	\$ 872,134

7. Goodwill and Other Intangible Assets

The changes in the carrying value of goodwill by segment through the year ended December 31, 2009 are as follows:

	12/31/07	2008 Acquisitions	Other Adjustments Primarily Currency Translations	12/31/08 (In thousands)	2009 Acquisitions	Other Adjustments Primarily Currency Translations	12/31/09
Electronic Technologies	\$ 1,024,857	\$ —	\$ (48,151)(A)	\$ 976,706	\$ —	\$ 2,800	\$ 979,506
Industrial Products	905,497	12,521	1,197	919,215	—	1,236	920,451
Fluid Management	536,163	43,872	(8,814)	571,221	43,882	2,829	617,932
Engineered Systems	793,212	—	(4,788)	788,424	49,807	(5,903)(B)	832,328
Total	\$ 3,259,729	\$ 56,393	\$ (60,556)	\$ 3,255,566	\$ 93,689	\$ 962	\$ 3,350,217

- (A) Includes \$38.0 million related to the sale of a line of business in the Electronic Technologies segment.
(B) Includes \$10.8 million related to purchase accounting adjustments in the Engineered Systems segment.

The changes in the carrying value of goodwill are as follows:

	2009	2008
	(In thousands)	
Goodwill balance at January 1,	\$ 3,415,288	\$ 3,419,451
Accumulated impairment	159,722	159,722
Beginning balance, net Goodwill	3,255,566	3,259,729
Goodwill acquired during year	93,689	56,393
Cumulative translation effect	11,752	(17,206)
Impairment losses during the year	—	—
Goodwill related to sale of business	—	(43,350)
Purchase accounting and other adjustments	(10,790)	—
Goodwill ending balance	3,509,939	3,415,288
Accumulated impairment	159,722	159,722
Goodwill balance, net at December 31,	\$ 3,350,217	\$ 3,255,566

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The accumulated impairment balance of \$159.7 million as of December 31, 2009 and 2008 consists of \$99.8 million relating to the Industrial Products segment and \$59.9 million relating to the Fluid Management segment.

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

	At December 31, 2009		Average Life (Years)	At December 31, 2008	
	Gross Carrying Amount	Accumulated Amortization		Gross Carrying Amount	Accumulated Amortization
	(dollar amounts in thousands)				
Amortized Intangible Assets:					
Trademarks	\$ 72,790	\$ 16,492	15	\$ 32,223	\$ 12,453
Patents	128,041	84,092	16	129,233	79,241
Customer Intangibles	764,865	267,558	10	681,636	200,169
Unpatented Technologies	134,822	75,244	5	129,303	61,871
Non-Compete Agreements	3,396	3,310	5	3,475	3,400
Drawings & Manuals	11,922	6,523	11	13,653	5,441
Distributor Relationships	73,230	20,974	11	72,413	17,193
Other	20,344	12,722	5	22,725	10,270
Total	1,209,410	486,915	10	1,084,661	390,038
Unamortized Intangible Assets:					
Trademarks	228,253			257,786	
Total Intangible Assets	\$ 1,437,663	\$ 486,915		\$ 1,342,447	\$ 390,038

Total intangible amortization expense for the twelve months ended December 31, 2009, 2008 and 2007 was \$98.6 million, \$101.9 million and \$92.1 million, respectively. Amortization expense, based on current intangible balances is estimated to be \$81.5 million, \$84.2 million, \$83.9 million, \$82.9 million and \$76.1 million in 2010 through 2014, respectively.

8. Accrued Expenses

The following table details the major components of other current accrued expenses:

	At December 31, 2009	At December 31, 2008
	(In thousands)	
Warranty	\$ 47,980	\$ 44,174
Taxes other than income	25,411	25,454
Unearned revenue	13,462	14,356
Accrued interest	28,226	28,839
Legal and environmental	9,622	6,064
Accrued commissions (Non Employee)	9,745	11,570
Accrued volume discounts	14,115	16,554
Restructuring and exit	13,203	10,112
Other(A)	57,531	52,496
	\$ 219,295	\$ 209,619

(A) Includes other miscellaneous accrued expenses none of which are considered individually significant.

Prior to January 1, 2009, the Company initiated various restructuring programs at its operating companies and recorded severance and other restructuring costs in connection with purchase accounting for acquisitions (see

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Note 2 for additional detail). In addition, late in 2008, the Company announced plans to increase substantially the amount of restructuring efforts in response to the significant decline in global economic activity. For the twelve months ended December 31, 2009, approximately \$21.9 million and \$50.2 million of restructuring charges were recorded in cost of goods and services and selling and administrative expenses, respectively, in the Consolidated Statements of Operations. The Company does not anticipate significant restructuring charges in 2010.

The following table details the Company's severance and exit reserve activity during 2009:

	<u>Severance</u>	<u>Exit</u> <u>(In thousands)</u>	<u>Total</u>
At December 31, 2008(A)	\$ 7,203	\$ 23,754	\$ 30,957
Provision	53,106	18,996	72,102
Purchase accounting	—	(16,074)	(16,074)
Payments	(53,009)	(13,828)	(66,837)
Other, including impairments	852	(4,229)	(3,377)
At December 31, 2009(B)	<u>\$ 8,152</u>	<u>\$ 8,619</u>	<u>\$ 16,771</u>

(A) Includes \$27.9 million related to purchase accounting accruals.

(B) Includes \$0.9 million related to purchase accounting accruals.

9. Lines of Credit, Debt and Hedging Activities

During 2009, the Company repaid its \$192.8 million outstanding balances of commercial paper and other short-term debt.

During the second quarter ended June 30, 2008, the Company repaid its \$150 million 6.25% Notes due June 1, 2008. In addition, on March 14, 2008, the Company issued \$350 million of 5.45% notes due 2018 and \$250 million of 6.60% notes due 2038. The net proceeds of \$594.1 million from the notes were used to repay borrowings under the Company's commercial paper program, and were reflected in long-term debt in the Consolidated Balance Sheets at December 31, 2008. The notes and debentures are redeemable at the option of the Company in whole or in part at any time at a redemption price that includes a make-whole premium, with accrued interest to the redemption date.

During the first quarter of 2008, the Company entered into several interest rate swaps in anticipation of the debt financing completed on March 14, 2008 which, upon settlement, resulted in a net gain of \$1.2 million which was deferred and will be amortized over the life of the related notes.

The Company may, from time to time, enter into interest rate swap agreements to manage its exposure to interest rate changes. Interest rate swaps are agreements to exchange fixed and variable rate payments based on notional principal amounts. There is an outstanding swap agreement for a total notional amount of \$50.0 million, or CHF65.1 million, which swaps the U.S. dollar 6-month LIBOR rate and the Swiss Franc 6-month LIBOR rate. This agreement hedges a portion of the Company's net investment in non-U.S. operations and matures on February 15, 2011. The fair value outstanding at December 31, 2009 and 2008, included a loss of \$13.3 million and \$12.0 million respectively, which was based on quoted market prices for similar instruments (Level 2 inputs under the ASC 820 hierarchy). The change in fair value of this hedge, which was not significant during 2009, is recorded in Cumulative Translation Adjustments and in Other Deferrals in the Consolidated Balance Sheets. This hedge is effective.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

There are no amounts excluded from the assessment of hedge effectiveness and there are no credit risk related contingent features in the Company's derivative instruments. In addition, the amount of gains or losses from hedging activity recorded in earnings is not significant and the amount of unrealized gains or losses from cash flow hedges which are expected to be reclassified to earnings in the next twelve months is not significant. The majority of the Company's hedged exposure for forecasted transactions ranges in the length of time of up to one year. The Company believes it is probable that all forecasted cash flow transactions will occur.

The Company is exposed to credit loss in the event of nonperformance by counterparties to the financial instrument contracts held by the Company; however, nonperformance by these counterparties is considered unlikely as the Company's policy is to contract with highly rated diversified counterparties. See Note 4 for additional information on the Company's derivative and hedging activity.

At December 31, 2008, the Company had open foreign exchange forward purchase contracts expiring through December 2010 related to cash flow and fair value hedges of foreign currency exposures. The fair values of these contracts were based on quoted market prices for identical instruments as of December 31, 2009 (Level 1 under the ASC 820 hierarchy). See Note 4 for additional information on the Company's derivative and hedging activity.

The details of the open contracts related to as of December 31, 2009 are as follows:

Forward Currencies Purchased	US Dollars Sold				
	Expiration From 12/31/09				Average Contract Rate
	Less Than 1 Month	2-3 Months	4-6 Months (In thousands)	7-12 Months	
Japanese Yen	\$ 1,796	\$ 299	\$ —	\$ —	91.495
Japanese Yen	\$ —	\$ 3,012	\$ —	\$ —	91.030
Euros	\$ —	\$ 680	\$ —	\$ —	0.670

Collar	Put	Call	US Dollar Value	
US Dollar to Euro	1.420	1.470	\$ 4,000	Maturities from 3/29/10 - 12/31/10
			Chinese Yuan Value	
Chinese Yuan to US Dollar	6.500	6.808	247,000	Maturities from 1/25/10 - 12/29/10

During the third quarter of 2008, the Company entered into a foreign currency hedge which was subsequently settled within the quarter. As a result of terminating the hedge, the Company recorded a gain of \$2.4 million in the third quarter ended September 30, 2008.

On November 9, 2007, the Company entered into a \$1 billion five-year unsecured revolving credit facility with a syndicate of banks (the "Credit Agreement") which replaced a facility with substantially similar terms. At the Company's election, loans under the Credit Agreement will bear interest at a Eurodollar or Sterling rate based on LIBOR, plus an applicable margin ranging from 0.130% to 0.35% (subject to adjustment based on the rating accorded the Company's senior unsecured debt by S&P and Moody's), or at a base rate pursuant to a formula defined in the Credit Agreement. In addition, the Credit Agreement requires the Company to pay a facility fee and a utilization fee in certain circumstances and imposes various restrictions on the Company such as, among other things, the requirement for the Company to maintain an interest coverage ratio of EBITDA to consolidated net interest expense of not less than 3.5 to 1. The Company was in compliance with all of its debt covenants at December 31, 2009 and had a coverage ratio of 9.1 to 1. The Company primarily uses this facility as liquidity back-up for its commercial paper program and has not drawn down any loans under the \$1 billion facility and does not anticipate doing so. As of December 31, 2009, no commercial paper was outstanding.

During the third quarter of 2006, the Company closed a structured five-year, non-interest bearing, \$165.1 million amortizing loan with a non-US lender, which also included a participation fee received by the Company of \$9.9 million. The loan was recorded at face value. The Company also expects to incur a total of \$5.7 million in debt related issuance costs over the course of the loan. Beginning in April 2007, the repayment schedule requires payments every April and September with the final payment to be made in July 2011. The participation fee will be

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

amortized ratably into Other Expense (income), net over the term of the loan and is recorded in Other Deferrals in the Consolidated Balance Sheets. The loan agreement includes a put and call provision that could have been exercised starting in June 2008 through the end of the loan term.

In November 2008, the Canadian Dollar Credit Facility with the Bank of Nova Scotia expired. The Company did not renew the facility in 2008.

Notes payable and current maturities of long-term debt shown on the Consolidated Balance Sheets for 2008 principally represented commercial paper issued in the U.S. The weighted average interest rate for short-term borrowings for the years 2009 and 2008 was 0.3% and 2.4%, respectively. The commercial paper balance was paid in full as of December 31, 2009.

The Company's long-term debt with a book value of \$1,860.9 million, of which \$35.6 million matures in less than one year, had a fair value of approximately \$1,954.6 million at December 31, 2009. On December 31, 2008, the Company's long-term debt instruments had a book value of \$1,892.9 million and a fair value of approximately \$2,018.5 million. The estimated fair value of the long-term debt is based on quoted market prices for similar issues.

A summary of the Company's long-term debt recorded at face amount, net of unamortized discount and the fair value of interest rate swaps is as follows for the years ended December 31:

	Maturities	Weighted Average Interest Rate	Weighted Average Effective Interest Rate	(In thousands)			
				2009	Fair Value	2008	Fair Value
Notes*	2010 to 2038	5.57%	5.68%	\$ 1,361,242	\$ 1,441,389	\$ 1,393,505	\$ 1,509,355
Debentures **	2028 to 2035	5.89%	5.95%	495,234	513,180	495,039	509,150
Other long-term debt, including capital leases				4,408	N/A	4,379	N/A
Total long-term debt				1,860,884	1,954,569	1,892,923	2,018,505
Less current installments				35,624	N/A	32,194	N/A
Long-term debt, excluding current installments				\$ 1,825,260	\$ 1,954,569	\$ 1,860,729	\$ 2,018,505

* Includes unamortized discount of \$6.2 million and \$7.1 million in 2009 and 2008, respectively.

** Includes unamortized discount of \$4.8 million and \$5.0 million in 2009 and 2008, respectively.

Annual repayments of long-term debt are \$35.6 million in 2010, 436.2 million in 2011, \$0.0 million in 2012 through 2013, \$190 million and \$1,388.9 million thereafter. The Company's Five-Year \$1 Billion Revolving Credit Facility expires in 2012.

Interest expense for the years ended December 31, 2009, 2008 and 2007 was \$116.2 million, \$130.2 million and \$112.3 million, respectively. Interest income for the years ended December 31, 2009, 2008 and 2007 was \$15.8 million, \$34.2 million and \$22.7 million, respectively.

10. Equity and Cash Incentive Program

2005 Equity and Cash Incentive Plan

On April 20, 2004, the shareholders approved the Dover Corporation 2005 Equity and Cash Incentive Plan (the "2005 Plan") to replace the 1995 Incentive Stock Option Plan and 1995 Cash Performance Program (the "1995 Plan"), which expired on January 30, 2005. Under the 2005 Plan, a maximum aggregate of 20 million shares were reserved for grants (non-qualified and incentive stock options, stock settled stock appreciation rights ("SARs"), restricted stock, and performance share awards) to key personnel between February 1, 2005 and January 31, 2015, provided that no incentive stock options shall be granted under the plan after February 11, 2014 and a maximum of two million shares may be granted as restricted stock or performance share awards. The exercise price of options and SARs may not be less than the fair market value of the stock at the time the awards are granted. The period during which these options and SARs are exercisable is fixed by the Company's Compensation Committee at the

DOVER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

time of grant, but generally may not commence sooner than three years after the date of grant, and may not exceed ten years from the date of grant. All stock options or SARs issued under the 1995 Plan or the 2005 Plan vest after three years of service and expire at the end of ten years. All stock options and SARs are granted at regularly scheduled quarterly Compensation Committee meetings (usually only at the meeting during the first quarter) and have an exercise price equal to the closing price of the Company's stock on the New York Stock Exchange on the date of grant. New common shares are issued when options or SARs are exercised.

Performance Share Awards

In May 2009, the shareholders of the Company approved an amendment to the 2005 Plan allowing the granting of performance share awards that will become payable in common shares upon achievement of pre-established performance targets. The changes to the 2005 Plan are detailed in the Company's Proxy Statement dated March 24, 2009 under the heading "Proposal 2 — Proposal to Approve Amendments to the 2005 Equity and Cash Incentive Plans." Performance share awards granted under the 2005 Plan are being expensed over the three year period that is the requisite performance and service period. Awards shall become vested if (1) the Company achieves certain specified stock performance targets compared to a peer group of 38 companies and (2) the employee remains continuously employed by the company during the performance period. Partial vesting may occur for certain terminations not for cause and for retirements. The estimated compensation expense recognized for performance share awards is net of estimated forfeitures. The Company assesses performance levels quarterly. Compensation expense for the year ended December 31, 2009 was \$0.6 million. Unrecognized compensation expense cost as of December 31, 2009 is \$0.7 million which will be recognized over a weighted average period of 1.9 years.

	Number of Shares	Weighted-Average Grant-Date Fair Value
Performance Share Awards		
Unvested at December 31, 2008	—	—
Granted	75,892	\$ 35.79
Vested	—	—
Forfeited	(886)	35.79
Unvested at December 31, 2009	<u>75,006</u>	<u>\$ 35.79</u>

The performance share awards are market condition awards and have been fair valued on the date of grant using the Monte Carlo simulation model with the following assumptions:

Performance Shares	Q2 2009 Grant
Risk-free interest rate	1.30%
Dividend yield	2.93%
Expected life (years)	2.7
Volatility	39.57%
Grant price	\$32.47
Fair value granted	\$35.79

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

SARs and Stock Options

In the first and second quarters of 2009, the Company issued SARs covering 2,796,124 and 29,577 shares, respectively under the 2005 Plan. In 2008, the Company issued 2,234,942 SARs under the 2005 Plan. No stock options were issued in 2009, 2008 or 2007 and the Company does not anticipate issuing stock options in the future. The fair value of each SAR grant was estimated on the date of grant using a Black-Scholes option-pricing model with the following assumptions:

	<u>Q2 2009</u> <u>Grant</u>	<u>Q1 2009</u> <u>Grant</u>	<u>2008</u> <u>Grant</u>	<u>2007</u> <u>Grant</u>
Risk-free interest rate	3.44%	2.06%	3.21%	4.84%
Dividend yield	2.82%	3.23%	1.86%	1.43%
Expected life (years)	6.5	6.5	6.5	6.5
Volatility	32.20%	30.47%	26.09%	28.25%
Grant price	\$35.50	\$29.45	\$42.30	\$50.60
Fair value granted	\$ 9.82	\$ 6.58	\$10.97	\$16.65

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A summary of activity for SARs and stock options for the years ended December 31, 2009, 2008 and 2007 is as follows:

	SARs				Stock Options			
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Outstanding at 1/1/2007	1,715,510	\$ 46.00			10,777,295	\$ 35.38		
Granted	1,731,882	50.60			—	—		
Forfeited	(206,166)	48.11			(276,125)	37.02		
Exercised	—	—	\$ —		(2,240,440)	33.74	\$ 34,095,507	
Outstanding at 12/31/2007	<u>3,241,226</u>	<u>48.32</u>	<u>2,072,808</u>	<u>8.61</u>	<u>8,260,730</u>	<u>35.77</u>	<u>108,935,136</u>	
Exercisable at December 31, 2007 through February 14, 2014	—	—	—	—	6,253,310	\$ 35.06	—	—
Outstanding at 1/1/2008	3,241,226	\$ 48.32			8,260,730	\$ 35.77		
Granted	2,234,942	42.30			—	—		
Forfeited	(373,193)	45.90			(139,826)	36.82		
Exercised	—	—	\$ —		(2,040,458)	34.29	\$ 15,806,826	
Outstanding at 12/31/2008	<u>5,102,975</u>	<u>45.82</u>	<u>—</u>	<u>8.23</u>	<u>6,080,446</u>	<u>36.22</u>	<u>35,359,392</u>	<u>4.29</u>
Exercisable at December 31, 2008 through February 14, 2015	—	—	—	—	6,080,466	\$ 36.22	—	—
Outstanding at 1/1/2009	5,102,975	\$ 45.82			6,080,446	\$ 36.22		
Granted	2,825,701	29.51			—	—		
Forfeited	(320,490)	38.85			(174,386)	31.06		
Exercised	—	—	\$ —		(713,678)	34.63	(A)	
Outstanding at 12/31/2009	<u>7,608,186</u>	<u>40.05</u>	<u>—</u>	<u>7.89</u>	<u>5,192,382</u>	<u>36.62</u>	<u>8,903,120</u>	<u>3.48</u>
Exercisable at December 31, 2009 through:								
2010	—	—	—	—	227,834	\$ 39.09	\$ —	—
2011	—	—	—	—	550,740	41.00	—	—
2012	—	—	—	—	695,451	37.92	—	—
2013	—	—	—	—	952,801	24.57	8,903,120	—
2014	—	—	—	—	1,162,736	41.25	—	—
2015	—	—	—	—	1,602,820	38.00	—	—
2016	<u>1,477,658</u>	<u>46.00</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total exercisable at December 31, 2009	<u>1,477,658</u>	<u>\$ 46.00</u>	<u>—</u>	<u>6.09</u>	<u>5,192,382</u>	<u>\$ 36.62</u>	<u>8,903,120</u>	<u>3.41</u>

(A) Cash received by the Company for stock options exercised during the year ended December 31, 2009 totaled \$24.7 million.

Unrecognized compensation expense related to not yet exercisable SARs was \$16.7 million at December 31, 2009. This cost is expected to be recognized over a weighted average period of 1.7 years. The fair value of options and SARs which became exercisable during the years ended December 31, 2009, 2008 and 2007 was \$25.1 million, \$26.2 million and \$28.5 million, respectively.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Additional Detail

Range of Exercise Prices	SARs Outstanding			SARs Exercisable		
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
\$42.30-\$50.60	4,907,517	\$45.84	7.22	1,477,658	\$46.00	6.09
\$29.45-\$35.50	2,700,669	\$29.13	9.12	—	\$ —	—

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years	Number	Weighted Average Exercise Price	Weighted Average Remaining Life in Years
\$24.50-\$31.00	953,701	\$24.52	3.12	953,701	\$24.52	3.12
\$33.00-\$39.00	2,518,305	\$38.09	3.85	2,518,305	\$38.09	3.85
\$39.40-\$43.00	1,720,376	\$41.17	3.15	1,720,376	\$41.17	2.92

The Company also has restricted stock authorized for grant (as part of the 2005 Plan), under which common stock of the Company may be granted at no cost to certain officers and key employees. In general, restrictions limit the sale or transfer of these shares during a two or three year period, and restrictions lapse proportionately over the two or three year period. The Company did not grant any restricted shares in 2009, 2008 or 2007, and there are no grants outstanding as of December 31, 2009.

The Company has a stock compensation plan under which non-employee directors are granted shares of the Company's common stock each year as more than half of their compensation for serving as directors. During 2009, the Company issued an aggregate of 14,726 shares, of its common stock to eleven outside directors (after withholding 6,823 additional shares to satisfy tax obligations) as partial compensation for serving as directors of the Company during 2009. During 2008, the Company issued an aggregate of 29,213 shares, net, of its common stock to twelve outside directors (after withholding 11,582 additional shares to satisfy tax obligations) as partial compensation for serving as directors of the Company during 2008. During 2007, the Company issued an aggregate of 14,129 shares of its common stock, net, to twelve outside directors (after withholding an aggregate of 6,056 additional shares to satisfy tax obligations) as partial compensation for serving as directors of the Company during 2007.

11. Income Taxes

Income taxes have been based on the following components of "Earnings Before Provision for Income Taxes and Discontinued Operations" in the Consolidated Statements of Operations:

	For the Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
Domestic	\$258,313	\$527,509	\$543,024
Foreign	233,305	418,510	369,343
	<u>\$491,618</u>	<u>\$946,019</u>	<u>\$912,367</u>

Total income taxes were as follows:

	For the Years Ended December 31,		
	2009	2008	2007
		(In thousands)	
Taxes on income from continuing operations	\$ 119,724	\$ 251,261	\$ 242,617
Credit to Stockholders' equity for tax benefit related to stock option exercises	(425)	(8,449)	(10,319)
	<u>\$ 119,299</u>	<u>\$ 242,812</u>	<u>\$ 232,298</u>

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Income tax expense (benefit) for the years ended December 31, 2009, 2008 and 2007 is comprised of the following:

	For the Year Ended December 31,		
	2009	2008	2007
	(In thousands)		
Current:			
U.S. Federal	\$ 71,269	\$ 124,193	\$ 180,595
State and local	5,191	24,060	14,006
Foreign	68,065	69,549	78,026
Total current — continuing	144,525	217,802	272,627
Deferred:			
U.S. Federal	(12,985)	21,207	(30,066)
State and local	116	301	10,410
Foreign	(11,932)	11,951	(10,354)
Total deferred — continuing	(24,801)	33,459	(30,010)
Total expense — continuing	\$ 119,724	\$ 251,261	\$ 242,617

Differences between the effective income tax rate and the U.S. Federal income statutory rate are as follows:

	For the Years Ended December 31,		
	2009	2008	2007
U.S. Federal income tax rate	35.0%	35.0%	35.0%
State and local taxes, net of Federal income tax benefit	1.5	1.7	1.8
Foreign operations tax effect	(5.2)	(6.9)	(6.8)
Subtotal	(3.7)	(5.2)	(5.0)
R&E tax credits	(0.4)	(0.5)	(0.4)
Domestic manufacturing deduction	(0.9)	(0.7)	(1.0)
Foreign tax credits	1.2	(0.1)	(0.1)
Branch losses	(1.1)	(0.5)	(0.3)
Settlement of tax contingencies	(6.9)	(1.9)	(1.8)
Other, principally non-tax deductible items	1.2	0.5	0.2
Effective rate from continuing operations	24.4%	26.6%	26.6%

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The tax effects of temporary differences that give rise to future deferred tax assets and liabilities are as follows:

	At December 31,	
	2009	2008
(In thousands)		
Deferred Tax Assets:		
Accrued insurance	\$ 9,794	\$ 10,174
Accrued compensation, principally postretirement benefits and other employee benefits	103,800	116,781
Accrued expenses, principally for state income taxes, interest and warranty	73,147	75,115
Long-term liabilities, principally warranty, environmental, and exit costs	2,548	4,006
Inventories, principally due to reserves for financial reporting purposes and capitalization for tax purposes	25,593	24,259
Net operating loss and other carryforwards	106,009	79,880
Accounts receivable, principally due to allowance for doubtful accounts	9,786	7,448
Prepaid pension assets	7,947	11,345
Other assets	13,904	20,784
Total gross deferred tax assets	352,528	349,792
Valuation allowance	(43,171)	(55,486)
Total deferred tax assets	\$ 309,357	\$ 294,306
Deferred Tax Liabilities:		
Accounts receivable	\$ (9,098)	\$ (9,372)
Plant and equipment, principally due to differences in depreciation	(46,831)	(47,687)
Intangible assets, principally due to different tax and financial reporting bases and amortization lives	(475,773)	(477,966)
Total gross deferred tax liabilities	\$ (531,702)	\$ (535,025)
Net deferred tax liability	\$ (222,345)	\$ (240,719)

The components of the net deferred tax liability are classified as follows in the consolidated balance sheets:

Current deferred tax asset	\$ 69,999	\$ 73,686
Non-current deferred tax liability	(292,344)	(314,405)

The Company has loss carryforwards for U.S. federal and non-U.S. purposes as of December 31, 2009 of \$8.4 million and \$73.8 million, respectively, and as of December 31, 2008, \$21.3 million and \$65.4 million, respectively. The federal loss carryforwards are available for use against the Company's consolidated federal taxable income and expire in 2024. The entire balance of the non-U.S. losses is available to be carried forward, with \$20.4 million of these losses beginning to expire during the years 2010 through 2029. The remaining \$53.4 million of such losses can be carried forward indefinitely.

The Company has loss carryforwards for state purposes as of December 31, 2009 and 2008 of \$220.9 and \$205.3 million, respectively. The state loss carryforwards are available for use by the Company between 2010 and 2028.

The Company has non-U.S. tax credit carryforwards of \$56.0 million and \$27.9 million at December 31, 2009 and 2008, respectively, that are available for use by the Company between 2010 and 2019.

The Company has research and development credits of \$3.9 million at December 31, 2009 and at December 31, 2008 that are available for use by the Company between 2010 and 2026.

At December 31, 2009 and 2008, the Company had available alternative minimum tax credits of \$3.1 million, which are available for use by the Company indefinitely, and alternative minimum tax non-U.S. tax credits of \$11.7 million that are available for use by the Company between 2010 and 2026.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company maintains valuation allowances by jurisdiction against the deferred tax assets related to certain of these carryforwards as utilization of these tax benefits is not assured for certain jurisdictions.

The Company has not provided for U.S. federal income taxes or tax benefits on the undistributed earnings of its international subsidiaries because such earnings are reinvested and it is currently intended that they will continue to be reinvested indefinitely. At December 31, 2009, the Company has not provided for federal income taxes on earnings of approximately \$668.9 million from its international subsidiaries.

In 2009 and 2008, the Company recognized \$33.7 and \$18.3 million, respectively, in tax benefits related to the resolution of various state and U.S. income tax issues.

Unrecognized Tax Benefits

Effective January 1, 2007, the Company adopted certain provisions of ASC 740. See Note 4 for additional information on the impact of adoption on the Company's Consolidated Financial Statements.

The Company files Federal income tax returns, as well as multiple state, local and non-U.S. jurisdiction tax returns. The Company is no longer subject to examinations of its federal income tax returns by the Internal Revenue Service ("IRS") for years through 2006. All significant state and local, and international matters have been concluded for years through 1993 and 2000, respectively. With the exception of matters in litigation, for which an estimate cannot be made due to uncertainties, the Company does not believe it is reasonably possible that its unrecognized tax benefits will significantly change within the next twelve months.

The following table is a reconciliation of the beginning and ending balances of the Company's unrecognized tax benefits:

	<u>Continuing</u>	<u>Discontinued</u> (In thousands)	<u>Total</u>
Unrecognized tax benefits at January 1, 2008	\$ 188,758	\$ 34,987	\$ 223,745
Additions based on tax positions related to the current year	24,015	—	24,015
Additions for tax positions of prior years	25,866	22,578	48,444
Reductions for tax positions of prior years	(19,267)	(10,906)	(30,173)
Settlements	(2,859)	—	(2,859)
Lapse of statutes	(11,466)	—	(11,466)
Unrecognized tax benefits at December 31, 2008	205,047	46,659	251,706
Additions based on tax positions related to the current year	46,133	39,480	85,613
Additions for tax positions of prior years	5,622	2,741	8,363
Reductions for tax positions of prior years	(9,497)	(2,014)	(11,511)
Settlements	(41,869)	(5,914)	(47,783)
Lapse of statutes	(7,074)	(2,748)	(9,822)
Unrecognized tax benefits at December 31, 2009	\$ 198,362(A)	\$ 78,204	\$ 276,566

(A) If recognized, the net amount of potential tax benefits that would impact the Company's effective tax rate is \$159.9 million. During the years ended December 31, 2009, 2008 and 2007, the Company recorded potential interest and penalty expense of \$5.0 million, \$(0.6) million and \$12.9 million, respectively, related to its unrecognized tax benefits as a component of provision for income taxes. The Company had accrued interest and penalties of \$46.5 million at December 31, 2009 and \$45.9 million at December 31, 2008.

12. Commitments and Contingent Liabilities

A few of the Company's subsidiaries are involved in legal proceedings relating to the cleanup of waste disposal sites identified under Federal and State statutes that provide for the allocation of such costs among "potentially responsible parties." In each instance, the extent of the Company's liability appears to be very small in relation to the total projected expenditures and the number of other "potentially responsible parties" involved and is anticipated to

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

be immaterial to the Company. In addition, a few of the Company's subsidiaries are involved in ongoing remedial activities at certain plant sites, in cooperation with regulatory agencies, and appropriate reserves have been established.

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

The Company leases certain facilities and equipment under operating leases, many of which contain renewal options. Total rental expense, net of insignificant sublease rental income, for all operating leases was \$74.9 million, \$76.7 million and \$70.5 million for the years ended December 31, 2009, 2008 and 2007, respectively. Contingent rentals under the operating leases were not significant.

The aggregate future minimum lease payments for operating and capital leases as of December 31, 2009 are as follows:

	<u>Operating</u>	<u>Capital</u>
	(In thousands)	
2010	\$49,943	\$1,140
2011	42,852	1,123
2012	32,870	899
2013	24,262	742
2014	19,854	569
2015 and thereafter	70,346	988

Warranty program claims are provided for at the time of sale. Amounts provided for are based on historical costs and adjusted for new claims. A rollforward of the warranty reserve is as follows:

	<u>2009</u>	<u>2008</u>
	(In thousands)	
Beginning Balance January 1	\$ 56,137	\$ 55,446
Provision for warranties	34,342	43,153
Increase from acquisitions	3,838	102
Settlements made	(34,781)	(38,420)
Other adjustments	177	(4,144)
Ending Balance December 31	<u>\$ 59,713</u>	<u>\$ 56,137</u>

13. Employee Benefit Plans

The Company offers a defined contribution plan to most of its employees. The Company also has defined benefit pension plans (the "plans") covering certain employees of the Company and its subsidiaries. The plans' benefits are generally based on years of service and employee compensation. The Company's funding policy is consistent with the funding requirements of the Employment Retirement Income Security Act ("ERISA") and applicable international laws. The Company adopted certain provisions of ASC 715 on December 31, 2006 and, in accordance with the standard, the Company used a measurement date of December 31st for its pension and other postretirement benefit plans for the years ended December 31, 2008 and thereafter. Prior to 2008, the Company used a September 30th measurement date for the majority of its defined benefit plans.

DOVER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company is responsible for overseeing the management of the investments of the plans' assets and otherwise ensuring that the plans' investment programs are in compliance with ERISA, other relevant legislation, and related plan documents. Where relevant, the Company has retained professional investment managers to manage the plans' assets and implement the investment process. The investment managers, in implementing their investment processes, have the authority and responsibility to select appropriate investments in the asset classes specified by the terms of their applicable prospectus or investment manager agreements with the plans.

The primary financial objective of the plans is to secure participant retirement benefits. Accordingly, the key objective in the plans' financial management is to promote stability and, to the extent appropriate, growth in the funded status. Related and supporting financial objectives are established in conjunction with a review of current and projected plan financial requirements.

The assets of the plans are invested to achieve an appropriate return for the plans consistent with a prudent level of risk. The asset return objective is to achieve, as a minimum over time, the passively managed return earned by market index funds, weighted in the proportions outlined by the asset class exposures identified in the plans' strategic allocation. The fair value of the majority of the plans' assets were determined by the plans' trustees using quoted market prices for identical instruments (Level 1 inputs under the ASC 820 hierarchy) as of December 31, 2009. The fair value of various other investments were determined by the plans' trustees using directly observable market corroborated inputs, including quoted prices for similar assets (Level 2 inputs under the ASC 820 hierarchy). There are no investments within the Level 3 fair value hierarchy. The following is a description of the valuation methodologies used for assets at fair value:

Common stock: valued at prices obtained from exchanges where the stock is traded.

Fixed income investments: these investments consist of corporate bonds which are valued in active markets in which the bonds are traded. Other corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Other fixed income securities include U.S. Government and municipal securities. These investments are valued based on quoted prices in active markets in which the security is traded or are valued based on yield curves and credit information evaluated in pricing models.

Debt, equity and other funds: investments are valued using Net Asset Value ("NAV") which is based on the underlying value of the assets owned by the funds, minus liabilities, then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

The expected return on assets assumption used for pension expense was developed through analysis of historical market returns, current market conditions and the past experience of plan asset investments. In developing the expected return on asset assumption, estimates of future market returns by asset category are less than actual long-term historical returns in order to best anticipate future experience. Overall, it is projected that the investment of plan assets will achieve a 7.75% net return over time from the asset allocation strategy.

The Company's discount rate assumption is determined by developing a yield curve based on high quality corporate bonds with maturities matching the plans' expected benefit payment streams. The plans' expected cash flows are then discounted by the resulting year-by-year spot rates.

The Company also provides, through non-qualified plans, supplemental retirement benefits in excess of qualified plan limits imposed by Federal tax law. These plans are supported by the general assets of the Company.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Obligations and Funded Status

	Qualified Defined Benefits		Non Qualified Supplemental Benefits		Post-Retirement Benefits	
	2009	2008	2009	2008	2009	2008
	(In thousands)					
Change in benefit obligation						
Benefit obligation at beginning of year	\$ 484,891	\$ 500,915	\$ 152,695	\$ 153,538	\$ 16,470	\$ 15,874
Benefits earned during the year	13,971	13,042	6,188	7,688	314	274
Interest cost	28,936	28,337	8,688	9,434	959	954
Plan participants' contributions	1,014	446	—	—	172	190
Benefits paid	(27,699)	(31,393)	(26,828)	(15,669)	(1,597)	(1,998)
Federal Subsidy on benefits paid	—	—	—	—	130	(130)
Actuarial (gain) loss	20,469	6,131	(13,388)	(7,908)	538	1,102
Business acquisitions/divestitures	7,241	—	—	—	—	—
Amendments	227	997	—	2,888	(1,657)	—
Settlements and curtailments	(6,963)	(445)	—	—	—	—
Effect of adoption of ASC 715 measurement date	—	(1,734)	—	2,724	—	(56)
Currency rate changes	10,322	(31,405)	—	—	—	—
Other	8,797	—	—	—	—	—
Benefit obligation at end of year	<u>541,206</u>	<u>484,891</u>	<u>127,355</u>	<u>152,695</u>	<u>15,329</u>	<u>16,470</u>
Change in Plan Assets						
Fair value of plan assets at beginning of year	410,711	506,876	—	—	—	—
Actual return on plan assets	23,992	(76,299)	—	—	—	—
Company contributions	50,701	35,400	26,828	15,669	1,425	1,808
Employee contributions	1,014	446	—	—	172	190
Benefits paid	(27,699)	(31,393)	(26,828)	(15,669)	(1,597)	(1,998)
Acquisitions	6,361	—	—	—	—	—
Settlements and curtailments	(6,547)	1,266	—	—	—	—
Effect of adoption of ASC 715 measurement date	—	(713)	—	—	—	—
Currency rate changes	7,191	(24,872)	—	—	—	—
Other	1,917	—	—	—	—	—
Fair value of plan assets at end of year	<u>467,641</u>	<u>410,711</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Funded status	<u>(73,565)</u>	<u>(74,180)</u>	<u>(127,355)</u>	<u>(152,695)</u>	<u>(15,329)</u>	<u>(16,470)</u>
Accrued benefit cost	<u>\$ (73,565)</u>	<u>\$ (74,180)</u>	<u>\$ (127,355)</u>	<u>\$ (152,695)</u>	<u>\$ (15,329)</u>	<u>\$ (16,470)</u>
Amounts recognized in the statement of financial position consist of:						
Assets and Liabilities						
Other assets and deferred charges	\$ 3,339	\$ 2,293	\$ —	\$ —	\$ —	\$ —
Accrued compensation and employee benefits	(1,527)	(792)	(14,468)	(33,418)	(1,189)	(1,168)
Other deferrals (principally compensation)	(75,377)	(75,681)	(112,887)	(119,277)	(14,140)	(15,302)
Total Assets and Liabilities	<u>(73,565)</u>	<u>(74,180)</u>	<u>(127,355)</u>	<u>(152,695)</u>	<u>(15,329)</u>	<u>(16,470)</u>
Net actuarial (gains) losses	165,935	141,447	(15,045)	(1,658)	(2,881)	(3,850)
Prior service (credit) cost	8,133	9,181	57,363	65,069	(2,671)	(1,185)
Net asset at transition, other	(198)	(167)	—	—	—	—
Deferred taxes	(58,426)	(52,661)	(14,812)	(22,194)	1,885	1,762
Total Accumulated other comprehensive (earnings) loss, net of tax	115,444	97,800	27,506	41,217	(3,667)	(3,273)
Net amount recognized at December 31,	<u>\$ 41,879</u>	<u>\$ 23,620</u>	<u>\$ (99,849)</u>	<u>\$ (111,478)</u>	<u>\$ (18,996)</u>	<u>\$ (19,743)</u>
Accumulated benefit obligations	<u>\$ 494,690</u>	<u>\$ 444,633</u>	<u>\$ 93,956</u>	<u>\$ 104,645</u>		
Information for plans with accumulated benefit obligations in excess of plan assets:						
ABO	\$ 120,278	\$ 345,853	\$ 93,956	\$ 104,645		
PBO	127,928	377,122	127,356	152,696		
Fair value of plan assets	71,003	305,936	—	—		

Net Periodic Cost

The cost of contractual termination benefits were \$0.4 million in 2007. There were no costs related to contractual termination benefits recorded in 2009 or 2008.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Qualified Defined Benefits			Non-Qualified Supplemental Benefits			Post-Retirement Benefits		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Expected return on plan assets	\$ (34,612)	\$ (34,341)	\$ (32,760)	\$ —	\$ —	\$ —	—	—	—
Service Cost	13,971	13,042	15,215	6,188	7,688	8,156	314	274	358
Interest Cost	28,936	28,337	27,482	8,688	9,434	9,146	959	954	1,102
Amortization of:									
Prior service cost (income)	1,292	1,343	1,506	7,706	7,463	7,086	(172)	(172)	(172)
Transition obligation	(43)	(53)	(237)	—	—	—	—	—	—
Recognized actuarial (gain) loss	5,216	3,933	10,144	—	—	586	(426)	(478)	(112)
Settlement and curtailments (gain) loss	(795)	(1,149)	2,400	(1)	—	—	—	—	—
Total net periodic benefit cost	\$ 13,965	\$ 11,112	\$ 23,750	\$ 22,581	\$ 24,585	\$ 24,974	\$ 675	\$ 578	\$ 1,176

Assumptions

The weighted-average assumptions used in determining the benefit obligations were as follows:

	Qualified Defined Benefits		Non-Qualified Supplemental Benefits		Post-Retirement Benefits	
	2009	2008	2009	2008	2009	2008
Discount rate	5.95%	6.10%	5.95%	6.10%	5.50%	6.00%
Average wage increase	4.26%	4.33%	4.50%	6.00%	—	—
Ultimate medical trend rate	—	—	—	—	5.00%	5.00%

The weighted average assumptions used in determining the net periodic cost were as follows:

	Qualified Defined Benefits			Non-Qualified Supplemental Benefits			Post-Retirement Benefits		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Discount rate	6.10%	6.10%	5.60%	6.10%	6.25%	5.75%	6.00%	6.00%	5.75%
Average wage increase	4.26%	4.20%	4.30%	6.00%	6.00%	6.00%	—	—	—
Expected return on plan assets	7.37%	6.40%	7.40%	—	—	—	—	—	—
Ultimate medical trend rate	—	—	—	—	—	—	5.00%	5.00%	5.00%

Plan Assets

The actual and target weighted-average asset allocation for benefit plans was as follows:

	December 2009	December 2008	Current Target
Equity — domestic	39%	29%	35%
Equity — international	21%	20%	22%
Fixed income — domestic	34%	41%	35%
Real estate	6%	10%	8%
Total	100%	100%	100%

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fair Value Hierarchy

The fair value of the plan's assets by their fair value hierarchy levels was as follows:

	As of December 31, 2009			Total Fair Value
	Level 1	Level 2 (In thousands)	Level 3	
Assets:				
Common stocks	\$ 110,729	\$ 6,948	\$ —	\$ 117,677
Fixed income investments	11,073	133,706	—	144,779
Debt equity and real estate funds	79,464	114,298	—	193,762
Cash and cash equivalents	11,423	—	—	11,423
Total assets	\$ 212,689	\$ 254,952	\$ —	\$ 467,641

Future Estimates

Benefit Payments

Estimated future benefit payments to retirees, which reflect expected future service, are as follows:

	Qualified Defined Benefits	Non-Qualified Supplemental Benefits (In thousands)	Post-Retirement Benefits
2010	\$ 31,363	\$ 14,468	\$ 1,189
2011	30,838	14,967	1,207
2012	33,102	12,498	1,248
2013	34,193	10,708	1,492
2014	34,383	4,197	1,524
2015-2019	183,661	71,194	5,504

Contributions

Estimated contributions to be made during 2010 are as follows:

	Qualified Defined Benefit	Non-Qualified Supplemental Benefits (In thousands)
To plan assets	\$32,434	\$ —
To plan participants	1,000	14,468

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

2010 Amortization Expense

Estimated amortization expense for 2010 related to amounts in Accumulated Other Comprehensive Earnings (Loss) at December 31, 2009 is as follows:

	Qualified Defined Benefits	Non-Qualified Supplemental Benefits (In thousands)	Post-Retirement
Amortization of:			
Prior service cost (income)	\$ 1,288	\$ 7,707	\$ (409)
Transition obligation	(45)	—	—
Recognized actuarial (gain) loss	5,672	(209)	(396)
Total	\$ 6,915	\$ 7,498	\$ (805)

Pension cost for all defined contribution, defined benefit, and supplemental plans was \$72.9 million for 2009, \$81.7 million for 2008 and \$83.6 million for 2007.

For post-retirement benefit measurement purposes, a 8.5% annual rate of increase in the per capita cost of covered benefits (i.e., health care cost trend rates) was assumed for 2010. The rate was assumed to decrease gradually to 5% by the year 2018 and remain at that level thereafter. The health care cost trend rate assumption can have an effect on the amounts reported. For example, increasing (decreasing) the assumed health care cost trend rates by one percentage point in each year would increase (decrease) the accumulated post-retirement benefit obligation as of December 31, 2009 by \$0.2 million (\$0.2 million) and would have a negligible impact on the net post-retirement benefit cost for 2009.

The post-retirement benefit plans cover approximately 1,924 participants, approximately 1,082 of whom are eligible for medical benefits. The plans are effectively closed to new entrants. The post-retirement benefit obligation amounts at December 31, 2009 and 2008 include approximately \$4.8 million and \$4.6 million in obligations, respectively, recorded in discontinued operations.

14. Segment Data

The Company identifies its operating segments through the underlying management reporting structure related to its operating companies and through commonalities related to products, processes, distribution and/or markets served. The Company's segment structure allows the management of each segment to focus its attention on particular markets and provide oversight capacity to acquire additional businesses.

The Company's four reportable segments are briefly described below:

Industrial Products manufactures equipment and components for use in material handling such as industrial and recreational winches, utility, construction and demolition machinery attachments, hydraulic parts, industrial automation tools, 4WD and AWD power train systems and other accessories of off-road vehicles. In addition, mobile equipment related products include refuse truck bodies, tank trailers, compactors, balers, vehicle service lifts, car wash systems, internal engine components, fluid control assemblies and various aerospace components.

Engineered Systems manufactures or assembles the following products: refrigeration systems, display cases, walk-in coolers, food service equipment, commercial kitchen air and ventilation systems, heat transfer equipment, and food and beverage packaging machines. The segment also manufactures product identification related products such as industrial marking and coding systems used to code information (e.g., dates and serial numbers) on consumer products. In addition, the segment produces several printing products for cartons used in warehouse logistics operations as well as bar code printers and portable printers.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Fluid Management manufactures the following products that serve the energy markets (i.e. oil and gas): sucker rods, gas well production control devices, drill bit inserts for oil and gas exploration, control valves, piston and seal rings, control instrumentation, remote data collection and transfer devices, components for compressors, turbo machinery, motors and generators. In addition, the segment manufactures various products that provide fluid solutions, including nozzles, swivels and breakaways used to deliver various types of fuel, suction system equipment, unattended fuel management systems, integrated tank monitoring, pumps used in fluid transfer applications, quick disconnect couplings used in a wide variety of biomedical and commercial applications, and chemical portioning and dispensing systems.

Electronic Technologies manufactures advanced micro-component products for the hearing aid and consumer electronics industries, high frequency capacitors, microwave electro-magnetic switches, radio frequency and microwave filters, electromagnetic products, and frequency control/select components. In addition, the segment builds sophisticated automated assembly and testing equipment for the electronics industry.

Selected financial information by market segment is as follows:

	For the Years Ended December 31,		
	2009	2008	2007
(In thousands) except margin information			
REVENUE			
Industrial Products	\$ 1,621,792	\$ 2,459,505	\$ 2,407,260
Engineered Systems	1,861,936	2,010,350	2,052,058
Fluid Management	1,270,910	1,714,046	1,482,008
Electronic Technologies	1,026,954	1,396,131	1,390,103
Intra — segment eliminations	(5,903)	(11,144)	(14,159)
Total consolidated revenue	<u>\$ 5,775,689</u>	<u>\$ 7,568,888</u>	<u>\$ 7,317,270</u>
EARNINGS FROM CONTINUING OPERATIONS			
Segment Earnings:			
Industrial Products	\$ 139,757	\$ 299,740	\$ 312,486
Engineered Systems	227,268	278,553	291,727
Fluid Management	259,269	385,317	304,576
Electronic Technologies	83,694	193,641	180,337
Total segments	709,988	1,157,251	1,089,126
Corporate expense / other	(117,995)	(115,195)	(87,170)
Net interest expense	(100,375)	(96,037)	(89,589)
Earnings from continuing operations before provision for income taxes and discontinued operations	491,618	946,019	912,367
Provision for taxes	119,724	251,261	242,617
Earnings from continuing operations — total consolidated	<u>\$ 371,894</u>	<u>\$ 694,758</u>	<u>\$ 669,750</u>
OPERATING MARGINS (pre-tax)			
Segments:			
Industrial Products	8.6%	12.2%	13.0%
Engineered Systems	12.2%	13.9%	14.2%
Fluid Management	20.4%	22.5%	20.6%
Electronic Technologies	8.1%	13.9%	13.0%
Total Segments	12.3%	15.3%	14.9%
Earnings from continuing operations	8.5%	12.5%	12.5%

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Selected financial information by market segment (continued, in thousands):

TOTAL ASSETS AT DECEMBER 31:	2009	2008	2007
Industrial Products	\$ 1,874,242	\$ 2,069,743	\$ 2,142,969
Engineered Systems	1,818,750	1,729,331	1,839,670
Fluid Management	1,267,388	1,231,391	1,156,089
Electronic Technologies	1,751,826	1,820,173	2,006,882
Corporate (principally cash and equivalents and marketable securities)	1,053,496	963,494	770,040
Total continuing assets	7,765,702	7,814,132	7,915,650
Assets from discontinued operations	116,701	69,106	152,757
Consolidated total	<u>\$ 7,882,403</u>	<u>\$ 7,883,238</u>	<u>\$ 8,068,407</u>

DEPRECIATION and AMORTIZATION (continuing)	For the Years Ended December 31,		
	2009	2008	2007
Industrial Products	\$ 71,453	\$ 73,516	\$ 69,739
Engineered Systems	60,106	61,062	54,580
Fluid Management	54,023	49,962	43,700
Electronic Technologies	71,544	75,587	74,720
Corporate	1,097	1,027	1,037
Consolidated total	<u>\$ 258,223</u>	<u>\$ 261,154</u>	<u>\$ 243,776</u>

CAPITAL EXPENDITURES (continuing)	2009	2008	2007
Industrial Products	\$ 23,750	\$ 43,194	\$ 40,842
Engineered Systems	34,740	33,609	43,207
Fluid Management	34,424	61,054	51,197
Electronic Technologies	25,725	37,730	37,946
Corporate	1,370	208	461
Consolidated total	<u>\$ 120,009</u>	<u>\$ 175,795</u>	<u>\$ 173,653</u>

	Revenue			Long-Lived Assets	
	For the Years Ended December 31,			At December 31,	
	2009	2008	2007	2009	2008
United States	\$ 3,257,152	\$ 4,246,792	\$ 4,110,359	\$ 543,886	\$ 576,501
Europe	1,078,308	1,544,144	1,489,316	120,362	138,829
Other Americas	463,176	642,673	614,769	36,666	32,072
Total Asia	791,292	968,169	927,685	103,192	108,556
Other	185,761	167,110	175,141	24,816	16,176
	<u>\$ 5,775,689</u>	<u>\$ 7,568,888</u>	<u>\$ 7,317,270</u>	<u>\$ 828,922</u>	<u>\$ 872,134</u>

Revenue is attributed to regions based on the location of the Company's customer, which in some instances is an intermediary and not necessarily the end user. Long-lived assets are comprised of net property, plant and equipment. The Company's operating companies are based primarily in the United States of America and Europe. The Company's businesses serve thousands of customers, none of which accounted for more than 10% of consolidated revenue. Accordingly, it is impractical to provide revenue from external customers for each product and service sold by segment.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Shareholders' Equity

The Company has the authority to issue up to 100,000 shares of \$100 par value preferred stock and up to 500,000,000 shares of \$1 par value common stock. None of the preferred stock has been issued. As of December 31, 2009 and 2008, 247,343,411 and 246,615,007 shares of common stock were issued, respectively. In addition, the Company had 60,467,393 and 60,618,384 shares in treasury, held at cost, as of December 31, 2009 and 2008, respectively.

Share Repurchases

2009

The Company had no share repurchases in 2009. In May 2007, the Board of Directors authorized the repurchase of up to 10,000,000 shares through May 2012. Approximately 8.9 million shares remain authorized for repurchase under the five year authorization as of December 31, 2009.

2008

During the fourth quarter of 2007, the Board of Directors approved a \$500 million share repurchase program authorizing repurchases of the Company's common shares through the end of 2008. During the twelve months ended December 31, 2008, the Company repurchased 10,000,000 shares of its common stock in the open market at an average price of \$46.15 per share. As of December 31, 2008, all shares authorized by the program were purchased.

2007

During the third quarter of 2007, the Board of Directors approved a share repurchase program authorizing the repurchase of 10,000,000 common shares. The Company entered into an accelerated share repurchase agreement on August 2, 2007 ("ASR") under which it purchased 6,000,000 shares of its common stock at an initial purchase price of \$51.64 per share. Upon final settlement of this ASR in the fourth quarter of 2007, the final economic purchase price was \$48.36 per share, representing an average of the volume weighted average price of the Company's common stock during the outstanding period less a negotiated discount amount. In addition, during 2007, the Company made other open market purchases of its common stock totaling 6.4 million shares at an average price of \$46.78 per share.

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

16. Quarterly Data (Unaudited)

Quarter	Revenue	Gross Profit	Continuing Operations			Net Earnings		
			Earnings	Per Share - Basic	Per Share - Diluted	Net Earnings	Per Share - Basic	Per Share - Diluted
(In thousands, except per share data)								
2009								
First	\$ 1,379,086	\$ 482,144	\$ 61,096	\$ 0.33	\$ 0.33	\$ 53,428	\$ 0.29	\$ 0.29
Second	1,390,331	493,310	100,874	0.54	0.54	97,080	0.52	0.52
Third	1,499,611	558,266	107,484	0.58	0.58	106,884	0.57	0.57
Fourth	<u>1,506,661</u>	<u>565,434</u>	<u>102,440</u>	0.55	0.55	<u>99,046</u>	0.53	0.53
	<u>\$ 5,775,689</u>	<u>\$ 2,099,154</u>	<u>\$ 371,894</u>	2.00	1.99	<u>\$ 356,438</u>	1.91	1.91
2008								
First	\$ 1,865,486	\$ 679,545	\$ 147,930	\$ 0.77	\$ 0.77	\$ 147,176	\$ 0.76	\$ 0.76
Second	2,010,978	739,620	186,911	0.99	0.98	135,277	0.72	0.71
Third	1,965,776	704,343	190,335	1.02	1.01	187,651	1.01	1.00
Fourth	<u>1,726,648</u>	<u>606,499</u>	<u>169,582</u>	0.91	0.91	<u>120,727</u>	0.65	0.65
	<u>\$ 7,568,888</u>	<u>\$ 2,730,007</u>	<u>\$ 694,758</u>	3.69	3.67	<u>\$ 590,831</u>	3.13	3.12

All quarterly and full-year periods reflect the impact of certain operations that were discontinued. As a result, the quarterly data presented above will not agree to previously issued quarterly financial statements.

17. Subsequent Events

The Company assessed events occurring subsequent to December 31, 2009 and through our filing, dated February 19, 2010, for potential recognition and disclosure in the consolidated financial statements. No events have occurred that would require adjustment to or disclosure in the consolidated financial statements which were issued on February 19, 2010.

18. Adoption of New Accounting Standards

In December 2007, the FASB issued authoritative guidance under ASC 805, which retains the fundamental requirements that the acquisition method of accounting (the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. In general, the statement (1) extends its applicability to all events where one entity obtains control over one or more other businesses, (2) broadens the use of fair value measurements used to recognize the assets acquired and liabilities assumed, (3) changes the accounting for acquisition related fees and restructuring costs incurred in connection with an acquisition, and (4) increases required disclosures. The Company has applied the provisions of this guidance prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The impact of these provisions did not have a material effect on the Company's consolidated financial statements since its adoption.

In April 2009, the FASB issued authoritative guidance under ASC 805 for the initial recognition and measurement, subsequent measurement and accounting, and disclosures for assets and liabilities arising from contingencies in business combinations. ASC 805 eliminates the distinction between contractual and non-contractual contingencies. The Company has applied the provisions of this guidance prospectively to business combinations for which the acquisition date is on or after January 1, 2009. The impact of these provisions did not have a material effect on the Company's consolidated financial statements since its adoption.

DOVER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In April 2008, the FASB issued authoritative guidance under ASC 350 and ASC 275, Risks and Uncertainties (“ASC 275”), to improve the consistency between the useful life of a recognized intangible asset and the period of expected cash flows used to measure the fair value of the intangible asset. ASC 350 and ASC 275 amend the factors to be considered when developing renewal or extension assumptions that are used to estimate an intangible asset’s useful life. The guidance is to be applied prospectively to intangible assets acquired after December 31, 2008. In addition, ASC 350 and ASC 275 increase the disclosure requirements related to renewal or extension assumptions. The Company has applied the provisions of this guidance to business combinations for which the acquisition date is on or after January 1, 2009. The impact of ASC 350 and ASC 275 did not have a material effect on the Company’s consolidated financial statements since its adoption.

In December 2008, the FASB issued authoritative guidance under ASC 715, Compensation — Retirement Benefits (“ASC 715”) which amends the disclosure requirements about plan assets of a defined pension or other postretirement plan. The provisions of this guidance require disclosure of (1) how investment allocation decisions are made, including factors that are pertinent to an understanding of the investment policies and strategies, (2) the fair value of each major category of plan assets, (3) the inputs and valuation techniques used to determine fair value and (4) an understanding of significant concentration of risk in plan assets. The provisions of this guidance become effective for fiscal years ending after December 15, 2009 and are to be applied prospectively. The adoption of the amendments under ASC 715 did not have a material impact on the Company’s consolidated financial statements.

Effective December 31, 2006, the Company applied certain provisions of ASC 715 which required companies to report the funded status of their defined benefit pension and other postretirement benefit plans on their balance sheets as a net liability or asset. Upon adoption at December 31, 2006, the Company recorded a net reduction to shareholders’ equity of \$123.5 million, net of tax. In addition, effective for fiscal years ending after December 15, 2008, the new standard required companies to measure benefit obligations and plan assets as of a company’s fiscal year end (December 31, 2008 for the Company), using one of the methods prescribed in the standard. The Company adopted the new valuation date requirements using the 15-month alternative, as prescribed in the standard, which resulted in a charge of approximately \$5.8 million, net of tax, to retained earnings during the fourth quarter of 2008.

In May 2009, the FASB issued authoritative guidance under ASC 855, Subsequent Events (“ASC 855”) which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. ASC 855 became effective for interim or annual financial periods ending after June 15, 2009 and was adopted in the second quarter of 2009. The adoption of ASC 855 did not have a material effect on the Company’s consolidated financial statements.

In June 2009, the FASB issued authoritative guidance under ASC 105, Generally Accepted Accounting Principles (“ASC 105”), which establishes the FASB Accounting Standards Codification (“Codification”) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with generally accepted accounting principles. ASC 105 became effective for financial statements issued for interim periods ended after September 15, 2009. All content within the Codification carries the same level of authority. The adoption of ASC 105 did not have a material effect on the Company’s consolidated financial statements.

In September 2006, the FASB issued authoritative guidance under ASC 820, Fair Value measurement and disclosures (“ASC 820”) which defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. For financial assets and liabilities, this guidance was effective for fiscal periods beginning after November 15, 2007 and did not require any new fair value measurements. The adoption of this guidance on January 1, 2008 did not have a material effect on the Company’s consolidated financial statements. In February 2008, the FASB delayed the effective date for nonfinancial assets and liabilities to

DOVER CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

fiscal years beginning after November 15, 2008, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The adoption of the provisions of ASC 820 related to “non-financial assets” did not have a material effect on the Company’s consolidated financial statements.

In April 2009, the FASB issued authoritative guidance under ASC 825, Financial Instruments (“ASC 825”) to require disclosures about fair value of financial instruments not measured on the balance sheet at fair value in interim financial statements as well as in annual financial statements. The provisions of this guidance require all entities to disclose the methods and significant assumptions used to estimate the fair value of financial instruments. ASC 825 became effective for interim periods ended after June 15, 2009 and does not require comparative disclosure for earlier periods presented upon initial adoption. The adoption of ASC 825 did not have a material effect on the Company’s consolidated financial statements.

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2009, 2008 and 2007
(In thousands)

	<u>Balance at Beginning of Year</u>	<u>Acquired by Purchase or Merger</u>	<u>Charged to Cost and Expense</u>	<u>Accounts Written Off</u>	<u>Other</u>	<u>Balance at End of Year</u>
Year Ended December 31, 2009						
Allowance for Doubtful Accounts	\$ 32,647	—	17,260	(10,198)	2,123	\$ 41,832
Year Ended December 31, 2008						
Allowance for Doubtful Accounts	\$ 32,211	40	12,040	(10,650)	(994)	\$ 32,647
Year Ended December 31, 2007						
Allowance for Doubtful Accounts	\$ 27,531	805	6,372	(4,683)	2,186	\$ 32,211
	<u>Balance at Beginning of Year</u>	<u>Acquired by Purchase or Merger</u>	<u>Additions</u>	<u>Reductions</u>	<u>Other</u>	<u>Balance at End of Year</u>
Year Ended December 31, 2009						
Deferred Tax Valuation Allowance	\$ 55,486	—	2,875	(15,190)	—	\$ 43,171
Year Ended December 31, 2008						
Deferred Tax Valuation Allowance	\$ 64,534	—	2,818	(7,554)	(4,312)	\$ 55,486
Year Ended December 31, 2007						
Deferred Tax Valuation Allowance	\$ 63,842	—	7,910	(11,034)	3,816	\$ 64,534
	<u>Balance at Beginning of Year</u>	<u>Acquired by Purchase or Merger</u>	<u>Charged to Cost and Expense</u>	<u>Reductions</u>	<u>Other</u>	<u>Balance at End of Year</u>
Year Ended December 31, 2009						
Inventory Reserves	\$ 100,471	—	21,307	(21,869)	1,386	\$ 101,295
Year Ended December 31, 2008						
Inventory Reserves	\$ 100,081	1,033	24,113	(22,920)	(1,836)	\$ 100,471
Year Ended December 31, 2007						
Inventory Reserves	\$ 91,515	7,904	23,605	(25,000)	2,057	\$ 100,081
	<u>Balance at Beginning of Year</u>	<u>Acquired by Purchase or Merger</u>	<u>Charged to Cost and Expense</u>	<u>Reductions</u>	<u>Other</u>	<u>Balance at End of Year</u>
Year Ended December 31, 2009						
LIFO Reserve	\$ 58,810	—	—	(9,749)	—	\$ 49,061
Year Ended December 31, 2008						
LIFO Reserve	\$ 51,988	—	6,822	—	—	\$ 58,810
Year Ended December 31, 2007						
LIFO Reserve	\$ 48,248	—	3,740	—	—	\$ 51,988

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act were effective as of December 31, 2009 to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and (ii) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls

During the fourth quarter of 2009, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Inherent Limitations Over Internal Controls

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company's assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Company's receipts and expenditures are being made only in accordance with authorizations of the Company's management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management's report on the effectiveness of the Company's internal control over financial reporting is included in Item 8 of this Form 10-K. Management, including the Company's Chief Executive Officer and Chief Financial Officer, does not expect that the Company's internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods is subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Item 9B. Other Information

Not applicable.

PART III

Item 10. Directors and Executive Officers and Corporate Governance

The information with respect to the directors and the board committees of the Company required to be included pursuant to this Item 10 is included in the 2010 Proxy Statement which will be filed with the Securities and Exchange Commission pursuant to Rule 14a-6 under the Exchange Act in accordance with applicable SEC deadlines, 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 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 in the 2010 Proxy Statement and is incorporated in this Item 10 by reference.

The Company has adopted a code of ethics that applies to its chief executive officer and senior financial officers. A copy of this code of ethics can be found on the Company's website at www.dovercorporation.com. In the event of any amendment to, or waiver from, the code of ethics, the Company will publicly disclose the amendment or waiver by posting the information on its website.

Item 11. Executive Compensation

The information with respect to executive compensation required to be included pursuant to this Item 11 is included in the 2010 Proxy Statement and is incorporated in this Item 11 by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters

The information regarding security ownership of certain beneficial owners and management that is required to be included pursuant to this Item 12 is included in the 2010 Proxy Statement and is incorporated in this Item 12 by reference.

EQUITY COMPENSATION PLANS

The Equity Compensation Plan Table below presents information regarding the Company's equity compensation plans at December 31, 2009:

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by shareholders	12,875,574	\$ 38.60	10,252,587
Equity compensation plans not approved by shareholders			
Total	12,875,574	\$ 38.60	10,252,587

The Company has three compensation plans under which equity securities of the Company have been authorized for issuance and have been issued to employees and to non-employee directors. These are the 1995 Incentive Stock Option Plan and 1995 Cash Performance Program (the "1995 Plan"), the 2005 Equity and Cash Incentive Plan (the "2005 Plan") and the 1996 Non-Employee Directors' Stock Compensation Plan (the "Directors' Plan"). The information regarding these plans that is required to be included pursuant to this Item 12 is included in the 2010 Proxy Statement and is incorporated in this Item 12 by reference. The table above does not reflect shares eligible for issuance under the 1996 Non-Employee Directors' Stock Compensation Plan, which does not specify a maximum number of shares issuable under it.

Item 13. *Certain Relationships and Related Transactions and Director Independence*

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 are required to be included pursuant to this Item 13 is included in the 2010 Proxy Statement and is incorporated in this Item 13 by reference.

Item 14. *Principal Accountant Fees and Services*

The information with respect to the Company's relationship with its independent registered public accounting firm and fees paid thereto required to be included pursuant to this Item 14 is included in the 2010 Proxy Statement and is incorporated in this Item 14 by reference.

The information with respect to audit committee pre-approval policies and procedures required to be included pursuant to this Item 14 is included in the 2010 Proxy Statement and is incorporated in this Item 14 by reference.

PART IV

Item 15. *Exhibits, Financial Statement Schedules*

(a)(1) Financial Statements

Financial Statements covered by the Report of Independent Registered Public Accounting Firm:

- (A) Consolidated Statements of Operations for the years ended December 31, 2009, 2008 and 2007.
- (B) Consolidated Balance Sheets as of December 31, 2009 and 2008.
- (C) Consolidated Statements of Shareholders' Equity and Comprehensive Earnings for the years ended December 31, 2009, 2008 and 2007.
- (D) Consolidated Statements of Cash Flows for the years ended December 31, 2009, 2008 and 2007.
- (E) Notes to consolidated financial statements.

(2) Financial Statement Schedule

The following financial statement schedule is included in Item No. 8 of this report on Form 10-K:

- Schedule II — Valuation and Qualifying Accounts

All other schedules are not required and have been omitted.

(3) Not covered by the Report of Independent Registered Public Accounting Firm:

Quarterly financial data (unaudited)

(4) See (b) below.

(b) Exhibits:

- (3)(i)(a) 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 (SEC File No. 001-04018), is incorporated by reference.
- (3)(i)(b) Certificate of Correction to the Restated Certificate of Incorporation dated as of January 24, 2003, filed as Exhibit 3(i) to the Company's Current Report on Form 8-K filed February 28, 2003 (SEC File No. 001-04018), is incorporated by reference.
- (3)(ii) By-Laws of the Company as amended and restated as of November 6, 2008, filed as Exhibit 3(ii) to the Company's Current Report on Form 8-K filed November 12, 2008 (SEC File No. 001-04018), are incorporated by reference.
- (4.1) Indenture, dated as of June 8, 1998 between the Company 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 (SEC File No. 001-04018), is incorporated by reference.

- (4.2) Form of 6.65% Debentures 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 (SEC File No. 001-04018), is incorporated by reference.
- (4.3) Form of 6.50% Notes due February 15, 2011 (\$400,000,000 aggregate principal amount), filed as Exhibit 4.3 to the Company's current report on Form 8-K filed February 12, 2001 (SEC File No. 001-04018), is incorporated by reference.
- (4.4) Indenture, dated as of February 8, 2001 between the Company and BankOne Trust Company, N.A., as trustee, filed as Exhibit 4.1 to the Company's current report on Form 8-K filed February 12, 2001 (SEC File No. 001-04018), is incorporated by reference.
- (4.5) First Supplemental Indenture among the Company, J.P. Morgan Trust Company, National Association, as original trustee, and The Bank of New York, as Trustee, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 12, 2005 (SEC File No. 001-04018) is incorporated by reference.
- (4.6) Form of 4.875% Notes due October 15, 2015 (\$300,000,000 aggregate principal amount), filed as exhibit 4.2 to the Company's Current Report on Form 8-K filed October 12, 2005 (SEC File No. 001-04018) is incorporated by reference.
- (4.7) Form of 5.375% Debentures due October 15, 2035 (\$300,000,000 aggregate principal amount), filed as exhibit 4.3 to the Company's Current Report on Form 8-K filed October 12, 2005 (SEC File No. 001-04018) is incorporated by reference.
- (4.8) Second Supplemental Indenture between the Company and The Bank of New York, as trustee, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 14, 2008 (SEC File No. 001-040018) is incorporated by reference.
- (4.9) Form of Global Note representing the 5.45% Notes due March 15, 2018 (\$350,000,000 aggregate principal amount), filed as exhibit 4.2 to the Company's Current Report on Form 8-K filed March 14, 2008 (SEC File No. 001-04018) is incorporated by reference.
- (4.10) Form of Global Note representing 6.60% Notes due March 15, 2038 (\$250,000,000) aggregate principal amount) filed as Exhibit 4.3 to the Company's Current Report on Form 8-K filed March 14, 2008 (SEC File No. 001-04018) is incorporated by reference.
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) Employee Savings and Investment Plan, filed as Exhibit 99 to Registration Statement on Form S-8 (SEC File No. 33-01419), is incorporated by reference.*
- (10.2) Amended and Restated 1996 Non-Employee Directors' Stock Compensation Plan, filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2004 (SEC File No. 001-04018) is incorporated by reference.
- (10.3) Executive Officer Annual Incentive Plan, as amended and restated as of January 1, 2009, filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed May 13, 2009 (SEC File No. 001-04018) is incorporated by reference.*
- (10.4) Executive Change in Control Agreement as amended and restated as of January 1, 2009, filed as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-04018) is incorporated by reference.*
- (10.5) 1995 Incentive Stock Option Plan and 1995 Cash Performance Program, as amended as of May 4, 2006 with respect to all awards then outstanding, filed as Exhibit 10.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 (SEC File No. 001-04018) is incorporated by reference.*
- (10.6) Deferred Compensation Plan, as amended and restated as of January 1, 2009, filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008 (SEC File No. 001-04018) is incorporated by reference.*
- (10.7) 2005 Equity and Cash Incentive Plan, as amended as of January 1, 2009, filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed May 13, 2009 (SEC File No. 001-04018) is incorporated by reference.*
- (10.8) Form of award grant letter for SSAR grants made under 2005 Equity and Cash Incentive Plan.*
- (10.9) Form of award grant letter for cash performance awards made under the 2005 Equity and Cash Incentive Plan.*
- (10.10) Form of award grant letter for performance share awards made under the 2005 Equity and Cash Incentive Plan.*

- (10.11) Pension Replacement Plan (formerly the Supplemental Executive Retirement Plan), as amended and restated as of January 1, 2010.*
- (10.12) Letter Agreement between Ronald L. Hoffman and the Company, dated November 28, 2008, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed November 26, 2008 as incorporated by reference.*
- (10.13) Letter Agreement between Robert G. Kuhbach and the Company, dated November 13, 2009.*
- (10.14) Five-year Credit Agreement dated as of November 9, 2007 by and among Dover Corporation, the Lenders listed therein, the Borrowing Subsidiaries party thereto, JPMorgan Chase Bank, N.A as Administrative Agent, Deutsche Bank Securities Inc. as Syndication Agent, and Bank of America, N.A., The Royal Bank of Scotland plc and Wachovia Bank, National Association as Documented Agents, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed November 14, 2007 (SEC File No. 001-04018), is incorporated by reference.
- (10.15) Form of award grant letter for restricted stock awards made under the 2005 Equity and Cash Incentive Plan.*
- (14) Dover Corporation Code of Ethics for Chief Executive Officer and Senior Financial Officers, filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 (SEC File No. 001-04018), is incorporated by reference.
- (21) Subsidiaries of Dover.
- (23) Consent of Independent Registered Public Accounting Firm.
- (24) Power of Attorney (included in signature page).
- (31.1) Certification pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, signed and dated by Brad M. Cerepak.
- (31.2) Certification pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, signed and dated by Robert A. Livingston.
- (32) Certification pursuant to 18 U.S.C. Section 1350, signed and dated by Brad M. Cerepak and Robert A. Livingston.

* Executive compensation plan or arrangement.

(d) Not applicable.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> <i>/s/ JEAN-PIERRE M. ERGAS</i> Jean-Pierre M. Ergas	Director	February 19, 2010
<hr/> <i>/s/ PETER T. FRANCIS</i> Peter T. Francis	Director	February 19, 2010
<hr/> <i>/s/ KRISTIANE C. GRAHAM</i> Kristiane C. Graham	Director	February 19, 2010
<hr/> <i>/s/ JAMES L. KOLEY</i> James L. Koley	Director	February 19, 2010
<hr/> <i>/s/ RICHARD K. LOCHRIDGE</i> Richard K. Lochridge	Director	February 19, 2010
<hr/> <i>/s/ BERNARD G. RETHORE</i> Bernard G. Rethore	Director	February 19, 2010
<hr/> <i>/s/ MICHAEL B. STUBBS</i> Michael B. Stubbs	Director	February 19, 2010
<hr/> <i>/s/ MARY A. WINSTON</i> Mary A. Winston	Director	February 19, 2010

DOVER CORPORATION

DATE:

TO:

FROM:

SUBJ: SSAR Grant

Here are the details for your SSAR grant.

Number of shares of Dover Common Stock -
SSAR base price per share -
Date of Grant -
Expiration Date -

Your SSAR is subject to all of the terms and provisions of the Plan, which terms and provisions are expressly incorporated into and made a part of your SSAR award as if set forth in full herein. A copy of the Plan is included with this award agreement.

In addition, your SSAR is subject to the following:

1. Your SSAR is subject to earlier termination as provided in the Plan, for example, upon termination of employment prior to the expiration date.
 2. It is your responsibility to keep track of your SSAR grants and to ensure that you exercise your SSARs before they expire. Dover will not remind or notify you that your SSAR is nearing its expiration date.
 3. The earliest date on which the SSAR may be exercised is the third anniversary of the Grant Date. Earlier exercise may be permitted in the event of a Change in Control or death or disability as provided in the Plan. No payment is required to exercise a SSAR.
 4. Upon exercise of your SSARs, you will be entitled to receive from Dover that number of whole shares of Dover Common Stock equal in value, on the date of exercise of the SSARs, to the excess of (A) the value of a share of Dover Common Stock on the date of exercise of the SSARs multiplied by the number of SSARs being exercised over (B) the sum of (i) the per share base price of the SSARs being exercised multiplied by the number of SSARs being exercised, plus (ii) unless you elect to pay such tax in cash,
-

any amount of tax that must be withheld in connection with such exercise. Fractional shares shall be disregarded.

5. By accepting this award, you consent to the transfer of any information relating to your participation in the Plan to Dover and its affiliates.

6. Your SSAR is not transferable by you other than by will or the laws of descent and distribution.

7. Dover and your employer reserve the right to amend, modify, or terminate the Plan at any time in their discretion without notice.

Please acknowledge receipt of a copy of the Plan and your agreement to the terms and conditions set forth herein and therein by signing and returning one copy of this award agreement. **This award agreement shall only become effective upon receipt by Dover of your signed copy of this agreement.**

Employee

Vice President

Date

DOVER CORPORATION

DATE:

TO:

FROM:

SUBJ: Cash Performance Award

Here are the details for your cash performance award.

Your business unit is -

The base year is -

The performance period is the three-year period commencing -

Your target cash performance award payment at the 100% level is \$-

The actual cash performance award amount to be paid to you, if any, will be derived from the Cash Performance Payout Table attached to this award agreement.

Your cash performance award is subject to all the terms and provisions of the Plan, which terms and provisions are expressly incorporated into and made a part of the award as if set forth in full herein. A copy of the Plan is included with this award agreement.

In addition, your award is subject to the following:

1. Within two and one-half months following the end of the performance period, Dover will pay you a cash performance payment if your business unit has reached certain levels of internal total shareholder return ("iTSR"), as set forth in the attached Cash Performance Payout Table, and the other conditions of your award are satisfied.
 2. A summary of the definition of internal total shareholder return, or iTSR, for your business unit is set forth on the attached Definition of iTSR.
 3. The aggregate maximum cash payout for each business unit (determined after applying the individual payment limitation noted in the next sentence, if applicable) in respect of all cash performance awards for a specific performance period shall not exceed the product of (i) 1.75%, times (ii) the sum of the
-

business unit's change in entity value plus free cash flow (as such terms are defined in the attached ITSRR definition) for that performance period. In no event will the cash performance payout to any one individual exceed \$5 million for the performance period.

4. The attached Rules for Transfers/Promotions sets forth the rules for the treatment of your cash performance award if you are transferred within Dover or are promoted.

5. By accepting this award, you consent to the transfer of any information relating to your participation in the Plan to Dover and its affiliates.

6. Your award is not transferable by you other than by will or the laws of descent and distribution.

7. Dover and your employer reserve the right to amend, modify, or terminate the Plan at any time in their discretion without notice.

Please acknowledge receipt of a copy of the Plan and your agreement to the terms and conditions set forth herein and therein by signing and returning one copy of this award agreement. **This award agreement shall only become effective upon receipt by Dover of your signed copy of this agreement.**

Employee

Vice President

Date

Definition of iTSR

iTSR = (change in entity value + free cash flow) / (starting entity value).

"Change in entity value" is nine times the change in EBITDA values, comparing the full base year to the full final year of the performance period.

"Free cash flow" is the cash flow generated by your business unit, including your business unit's operating profit plus depreciation, amortization and proceeds from dispositions, less taxes and investments made for future growth (capital spending, working capital and acquisitions) and adjusted for other non-recurring items.

"Starting entity value" is the higher of nine times EBITDA for the full base year or 0.9 times revenue for the full base year.

"EBITDA" is pre-tax income adjusted for non-operating and non-recurring items plus depreciation and amortization.

Cash Performance Payout Table

[To be provided]

Rules for Transfers/Promotions

1 (a) Unless you come within paragraph 1(b) below, the following rules will apply to you if you are transferred from one Dover business unit to another Dover business unit. These rules apply to all cash performance payments you may be entitled to, under this and any other cash performance award under the Plan you may have.

(i) If a cash performance payment is due in the first year after your transfer, your cash performance payment will be based on the performance of your old business unit.

(ii) If a cash performance payment is due in the second year after your transfer, your cash performance payment will be based on the performance of either your old business unit or your new business unit, whichever you choose. However, if you choose to have any second-year cash performance payment based on the performance of your new business unit, then your third-year cash performance payment, if any, must also be based on the performance of your new business unit.

(iii) If a cash performance payment is due in the third year after your transfer, your cash performance payment will be based on the performance of either your old business unit or your new business unit, whichever you choose. However, if you chose to have a second-year cash performance payment based on the performance of your new business unit, your third-year cash performance payment must also be based on the performance of your new business unit.

(iv) Any cash performance payment under an award made at one business unit that becomes payable after you transfer to another business unit will still be based on that award's original dollar amount.

(b) If you are or become the chief executive officer ("CEO") or chief operating officer ("COO") of Dover, or if you report directly to Dover's CEO or COO, or if you otherwise are or are expected to be a "covered employee" under Section 162(m) of the Internal Revenue Code during any relevant period, the following rules, instead of those set forth in paragraph 1(a) above, will apply to you if you are transferred from one Dover business unit to another Dover business unit. These rules apply to all cash performance payments you may be entitled to, under this and any other cash performance award under the Plan you may have.

(i) If a cash performance payment is due in the first year after your transfer, your cash performance payment will be based on the performance of your old business unit.

(ii) If a cash performance payment is due in the second year after your transfer, your cash performance payment will be based on the performance of

either your old business unit or your new business unit, whichever results in the higher payment to you.

(iii) If a cash performance payment is due in the third year after your transfer, your cash performance payment will be based on the performance of your new business unit.

(iv) Any cash performance payment under an award made at one business unit that becomes payable after you transfer to another business unit will still be based on that award's original dollar amount.

DOVER CORPORATION

DATE:

TO:

FROM:

SUBJ : Performance Share Award

Here are the details for your performance share award.

Your target performance share award at the 100% level is: _____ shares of Dover Common Stock.

The base year is _____.

The performance period is the three-year period commencing _____.

The actual number of shares distributed to you will be based on the level of total shareholder return ("TSR") of Dover as set forth in the attached definition of TSR for the performance period relative to the TSRs of a selected peer group of companies, which performance levels and peer group are set forth in the attached Performance Share Payout Table.

Your performance share award is subject to all the terms and provisions of the Plan, which terms and provisions are expressly incorporated into and made a part of the award as if set forth in full herein. A copy of the Plan is included with this award agreement.

In addition, your award is subject to the following:

1. Within two and one-half months following the end of the performance period, Dover will distribute to you the shares of Dover Common Stock in payment of your performance share award if Dover has reached certain levels of TSR in comparison to the TSRs of the companies in its peer group as set forth in the attached Performance Share Payout Table, and the other conditions of your award are satisfied.
 2. By accepting this award, you consent to the transfer of any information relating to your participation in the Plan to Dover and its affiliates.
 3. Your award is not transferable by you other than by will or the laws of descent and distribution.
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4. Dover and your employer reserve the right to amend, modify, or terminate the Plan at any time in their discretion without notice.

Please acknowledge receipt of a copy of the Plan and your agreement to the terms and conditions set forth herein and therein by signing and returning one copy of this award agreement. The other copy is for your files. **This award agreement shall only become effective upon receipt by Dover of your signed copy of this agreement.**

Employee

Vice President

Date _____

TSR Definition

TSR = (change in stock price plus dividends) / (initial value)

"Change in stock price" is the difference in the closing price of a share of such company's common equity securities on the last trading day of the base year and the closing price of a share of such company's common equity securities on the last trading day of the last year of the performance period.

"Dividends" equals dividends per share of such company's common equity securities paid during the performance period.

The "initial value" is the closing price of a share of such company's common equity securities on the last trading day of the base year.

If a peer group company has more than one class of common equity securities, TSR for that company will be based on its class of publicly traded common equity securities that has the highest aggregate market value of outstanding shares held by non-affiliates, as set forth in the company's most recent annual report.

Performance Share Payout Table

Peer Group Companies:

Subject to change, the following 38 companies constitute Dover's peer group of companies. This group may change due to mergers, acquisitions, bankruptcies, changes in business or other reasons deemed appropriate by the Compensation Committee.

3M Company, Actuant Corp., Agco Corp., Agilent Technologies, Inc., Ametek Inc., Cameron International Corporation, Carlisle Cos. Inc., Cooper Industries Inc., Crane Co., Danaher Corp., Deere & Company, Eaton Corp., Emerson Electric Co., Flowserve Corporation, FMC Technologies Inc., Honeywell International, Inc., Hubbell Incorporated, IDEX Corporation, Illinois Tool Works Inc., Ingersoll-Rand Company Limited, ITT Industries Inc., Leggett & Platt, Incorporated, The Manitowoc Company, Inc., Masco Corporation, Oshkosh Corporation, Paccar Inc., Pall Corporation, Parker-Hannifin Corp., Pentair Inc., Precision Castparts Corp., Rockwell Automation, Inc., Roper Industries Inc., SPX Corporation, Terex Corporation, The Timken Company, Tyco International Ltd., United Technologies Corp. and Weatherford International Ltd.

Payout Formula:

Dover 3- year TSR Performance Relative to TSR. of Peer Group Companies	Payout Level	Payout Percentage of Target Grant
≥ 75 th Percentile	Maximum	200%
50 th Percentile	Target	100%
35 th Percentile	Threshold	50%
< 35 th Percentile	Below Threshold	0%

The formula will be applied on a sliding scale between the "Threshold" and "Maximum" payout levels, based on Dover's 3 year TSR relative to the TSR of the peer group companies for the performance period.

**DOVER CORPORATION
PENSION REPLACEMENT PLAN
(As Amended and Restated as of January 1, 2010)**

Introduction

This Dover Corporation Pension Replacement Plan, effective January 1, 2010 amends, restates, and renames the plan formerly known as the Dover Corporation Supplemental Executive Retirement Plan (as amended and restated as of January 1, 2009).

Article 1. Purpose of the Plan

The purpose of this Dover Corporation Pension Replacement Plan is to promote the long-term success of the Company by providing a minimum level of retirement benefits to its officers and other key executives on whom major responsibility for the present and future success of the Company rests. As set forth in the Plan, benefits accrued under the Plan after January 1, 2010, before offsets, are intended to be determined under the benefit formula in Program SI of the Dover Pension Program under the Dover Corporation Pension Plan without regard to the limitations on compensation and benefits under such plan.

Article 2. Definitions

2.01. "Actual Participant" with respect to periods after December 31, 2009, means, subject to Article 3, an Employee who (i) is a U.S. taxpayer and is on a regular U.S. periodic payroll of an Affiliated Company (excluding Employees assigned to work in the United States on a temporary basis) or is assigned to the non-U.S. payroll of an Affiliated

Company, (ii) has Compensation, when averaged over the three Plan Years preceding the current Plan Year (or the portion of such period during which an individual was an Employee, if shorter, and annualized in the case of a partial year), in excess of the compensation limit of Code Section 401(a)(17) for the current Plan Year, as adjusted under Code Section 401(a)(17)(B) for increases in the cost of living, plus ten percent (10%), rounded up to the nearest \$5,000, and (iii) is an Employee who holds a position with an Affiliated Company which the Chief Executive Officer of the Company or the Administrator has designated from time to time as eligible for participation in the Plan. Notwithstanding the foregoing, the Chief Executive Officer of the Company or his or her designee may designate an Employee who does not otherwise meet the requirements of this Section 2.01 as an Actual Participant. The Chief Executive Officer or his or her designee may also revoke the eligibility of an Actual Participant to continue to participate in the Plan at any time in his or her sole and unreviewable discretion. The term "Actual Participant" with respect to periods prior to January 1, 2010 shall be determined in accordance with the provisions of the Prior Plan.

2.02. "Administrator" means the Dover Corporation Pension Committee.

2.03. "Affiliated Company" means the Company and any other member of the controlled group of corporations (within the meaning of Section 414(b) of the Code) of which the Company is a member or an unincorporated trade or business which is under common control with the Company (within the meaning of Section 414(c) of the Code). Except as otherwise determined by the Administrator, a corporation or unincorporated trade or business shall not be considered as an Affiliated Company during any period while it is not a member of such controlled group or under such common control.

2.04. "Applicable Percentage" means such percentages as are set forth in Appendix A to the Plan; provided, however, that Additional Years of Service (as described in Section 2.37) with respect to Employees hired by an Affiliated Company on or after January 1, 2005, including Employees who were employed by an entity at the time it became an Affiliated Company on or after January 1, 2005, shall be disregarded when determining an Actual Participant's Years of Service for purposes of this Section 2.04.

2.05. "Award" means the grant of either a stock option or stock appreciation right award, performance share award, other equity award, or a cash performance award under an Incentive Plan, provided that (i) the grant of a stock option under the 1998 Supplemental Incentive Stock Option Program or any successor plan or program (sometimes called the Presidents' Pool) shall not constitute an Award, and (ii) all stock option awards, stock appreciation rights awards, performance shares, other equity awards, and cash performance awards granted in any calendar year shall constitute only one Award.

2.06. "Beneficiary" means the person or persons designated by an Actual Participant to receive any payments which may be required to be paid pursuant to the Plan following his or her death, or, in the absence of any such designated person, the Actual Participant's estate; provided, however, that a married Actual Participant's Beneficiary shall be his or her spouse unless the spouse consents in writing to the designation of a different Beneficiary. For purposes hereof, a Beneficiary may be a natural person or an estate or trust, except as otherwise provided in Section 4.04(f). Notwithstanding the foregoing, if an Actual Participant has designated a spouse as a Beneficiary, then a divorce decree that relates to such spouse shall automatically revoke the Actual Participant's designation of the spouse as Beneficiary unless the divorce decree or a

qualified domestic relations order (within the meaning of Code Section 414(q)) provides otherwise or a subsequent Beneficiary designation is made.

2.07. "Cause" means an Employee is convicted of, or enters a plea of nolo contendere or similar plea to, a felony under applicable law, and the action constituting the felony has placed, or can reasonably be expected to place, an Affiliated Company or its employees at substantial legal or other risk or has caused or can reasonably be expected to cause, substantial harm, monetarily or otherwise, to the business, reputation or affairs of an Affiliated Company or its relations with employees, suppliers, distributors, or a customer.

2.08. "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.09. "Company:" means Dover Corporation and any successor thereto.

2.10. "Compensation" means an Employee's basic salary (or notional salary in the case of an Employee assigned to provide services to a non-U.S. Affiliated Company) and annual bonuses (including payments deemed by his or her employing Affiliated Company to be the equivalent of annual bonuses and the portion of any basic salary and annual bonuses deferred under a qualified or nonqualified deferred compensation plan or arrangement or contributed to a cafeteria plan). Compensation shall exclude (i) bonuses paid in connection with hiring, (ii) severance pay, and, (iii) with respect to periods after December 31, 2009, commissions paid or made available by an Affiliated Company. Other forms of remuneration, including but not limited to non-cash remuneration of any kind, stock options, stock appreciation rights, cash performance awards, restricted stock awards, restricted stock units, performance shares, other equity awards, or long-term incentive compensation of any kind or nature, shall not be included in an Employee's

Compensation for purposes of determining eligibility as an Actual Participant or for calculating Retirement Benefits or any other benefits under the Plan.

2.11. "Death Benefit" means a death benefit payable pursuant to Section 5.01.

2.12. "Disability" means a disability which causes an Employee to be eligible to receive disability benefits under the long-term disability insurance program of his or her employing Affiliated Company, provided that any such disability meets the criteria specified in Section 1.409A-(j)(4) of the Treasury Regulations, or, in the case of an Employee who does not meet the criteria specified above, a disability which would cause the Employee to be determined to be totally disabled by the Social Security Administration and eligible for social security disability benefits. An Employee's Disability shall be deemed to have ended on the last day of the last month with respect to which he or she receives benefits described in the preceding sentence.

2.13. "Dover Pension Plan" means the Dover Corporation Pension Plan, as the same shall be in effect from time to time, including all amendments thereto.

2.14. "Effective Date" of the Plan as amended and restated herein means January 1, 2010. The original effective date of the Plan is January 1, 1997. For the period from January 1, 2005 through December 31, 2008, the Plan was administered in good faith compliance with Section 409A of the Code and applicable guidance issued by the Treasury Department and the Internal Revenue Service.

2.15. "Employee" means an employee of an Affiliated Company.

2.16. "Final Average Compensation" means 12 times the average of an Employee's monthly Compensation during the 60 consecutive complete calendar months of service during the 120 consecutive complete calendar months of service with an Affiliated Company prior to such person's ceasing to be an Employee during which his or her Compensation was the highest. Any month in which Compensation was not received, by reason of a leave of absence, Disability or otherwise, shall be omitted in determining a person's Final Average Compensation. In the case of any periods of part-time employment occurring in a Plan Year in which an Employee is credited with less than one Year of Service, Compensation with respect to such periods of part-time service shall be appropriately adjusted to a full-time basis. In the event that an Employee is paid an annual bonus during the 12-month period commencing on his or her Termination Date, for purposes of calculating such person's Final Average Compensation the amount of such bonus shall be substituted for the amount of the first bonus taken into account during the applicable 60-month period, but only if (i) the 60-month period used for purposes of the Final Average Compensation calculation includes such person's last month of employment, and (ii) the effect of such substitution is to increase such person's Final Average Compensation. In no event shall more than five bonus payments be taken into account during the 60-month period used for purposes of the Final Average Compensation calculation.

2.17. "Grandfathered Benefit" means the benefit accrued under the Plan as of December 31, 2004 with respect to a Grandfathered Participant.

2.18. "Grandfathered Participant" means an Actual Participant who had attained age 55 and completed 10 Years of Service as of December 31, 2004.

- 2.19. "Incentive Plan" means the Dover Corporation 1995 Incentive Stock Option Plan and 1995 Cash Performance Program, the Dover Corporation 2005 Equity and Cash Incentive Plan, and any predecessor or successor plan or program, provided that the 1998 Supplemental Incentive Stock Option Program or any successor program (sometimes called the Presidents' Pool) shall not constitute an Incentive Plan.
- 2.20. "Non-Grandfathered Benefit" means any benefit which is not a Grandfathered Benefit.
- 2.21. "Non-Grandfathered Participant" means an Actual Participant who is not a Grandfathered Participant.
- 2.22. "Normal Retirement Age" means age 65.
- 2.23. "Normal Retirement Date" means the first day of the month coinciding with or next following the date an Actual Participant attains his or her Normal Retirement Age.
- 2.24. "Plan" means this Dover Corporation Pension Replacement Plan, as amended from time to time.
- 2.25. "Plan Year" means the calendar year.
- 2.26. "Potential Participant" means an Employee who (a) has received a SERP Designation as a Potential Participant, and (b) has been granted an Award in one or more years (not necessarily consecutive) under an Incentive Plan but who has not met the requirements to become an Actual Participant, including, without limitation, receipt of a SERP Designation as an Actual Participant. Notwithstanding the foregoing, on or after

March 1, 2010 no Employee may be designated as a Potential Participant and a Potential Participant who has not met the eligibility requirements to be an Actual Participant as of March 1, 2010 shall cease to be a Potential Participant.

2.27. "Prior Participant" has the meaning provided in Section 3.01.

2.28. "Prior Plan" means the Dover Corporation Supplemental Executive Retirement Plan, as in effect prior to the Effective Date.

2.29. "PSC Executive" means an Employee who was at least age 40 on the Employee's birthday that next followed his or her date of hire or rehire with an Affiliated Company (or the date the Company or other Affiliated Company acquired the Affiliated Company, if later), and was granted an Award not later than twenty four (24) months following such Employee's date of hire or rehire with an Affiliated Company (or the date the Company or other Affiliated Company acquired the Affiliated Company, if later); provided, however, that if an Employee was hired on or after January 1, 2005, the Chief Executive Officer, the Chief Operating Officer or the President of Dover Corporation must approve that such person will be a PSC Executive prior to the time such Employee has received a SERP Designation as an Actual Participant. Notwithstanding the foregoing, on and after January 1, 2009 no Employee may be designated as a PSC Executive and no Employee who has not already become an Actual Participant as of March 1, 2009 may be credited with Additional Years of Service.

2.30. "Retirement Benefit" means a retirement benefit payable pursuant to Section 4.01(a).

- 2.31. "SERP Designation" means a written designation by the Chief Executive Officer, Chief Operating Officer or President of the Company prior to March 1, 2010 that an Employee is an Actual Participant or a Potential Participant.
- 2.32. "Social Security Integration Level" means the "Social Security Integration Level" as determined under Program SI of the Dover Pension Program under the Dover Pension Plan as in effect on an Actual Participant's Termination Date.
- 2.33. "Specified Employee" means an Employee within the meaning of Section 409A(a)(2)(B)(i) of the Code and any applicable regulations or other pronouncements issued by the Internal Revenue Service with respect thereto. The determination of who the Specified Employees are as of any time shall be made by the Company's Board of Directors or by such committee, person or persons as such Board of Directors shall delegate for such purpose.
- 2.34. "Termination Date" means the first day of the month coinciding with or next following the date on which an Actual Participant has a Termination of Employment.
- 2.35. "Termination of Employment" means an Employee's termination of employment with an Affiliated Company, whether voluntary or involuntary, for any reason, including but not limited to quitting or discharge (but other than a family or medical or other leave of absence, transfer of employment to another Affiliated Company, incurring of a Disability, or death), in each instance that would meet the requirement to be considered a "Separation from Service" within the meaning of Section 1.409A-1(h) of the Treasury Regulations.

2.36. "Vesting Percentage" means an Actual Participant's "Vested Interest" in Program SI of the Dover Pension Program under the Dover Pension Plan, expressed as either 0% or 100%; provided that if an Actual Participant is not a participant in Program SI of the Dover Pension Program under the Dover Pension Plan, such Actual Participant's Vested Interest shall be determined as if he or she were a participant in Program SI of the Dover Pension Program under the Dover Pension Plan, including any periods of vesting service credited under such Dover Pension Plan for the period prior to the date the Employee became employed by an Affiliated Company if the Employee was a participant in a defined benefit plan the sponsorship of which was assumed by an Affiliated Company. In the event of a Change of Control, an Actual Participant's Vesting Percentage shall be 100%.

2.37. "Years of Service" means (a) the time a person served as an Employee plus, (b) except as set forth in Section 2.04, any "Additional Years of Service" (as described below) credited to such person, calculated as follows. A Year of Service means 12 consecutive months of service. Any period of service of less than 12 consecutive months shall be counted on the basis of 1/12 of a Year of Service for each month of service. For purposes of this definition, a month of service means any calendar month during any part of which an Employee is employed by an Affiliated Company.

Additional Years of Service shall be credited as follows:

(i) PSC Executives hired prior to January 1, 2005: If such an Actual Participant's Termination of Employment occurs on or after January 1, 2003, and the Actual Participant is a PSC Executive, the Actual Participant shall be credited with

Additional Years of Service, the amount of which shall be determined by dividing by forty-eight (48) the number of whole and partial months which elapsed from the date of the Actual Participant's 25th birthday to the Actual Participant's date of hire or rehire with an Affiliated Company (or the date the Company or other Affiliated Company acquired the Affiliated Company, if later), excluding any number of whole months during that time in which such Actual Participant was an Employee. For purposes of this definition, a month of service means any calendar month during any part of which an Employee is employed by an Affiliated Company and shall not duplicate any service granted in paragraph (a) above.

(ii) *PSC Executives hired on or after January 1, 2005*: If such an Actual Participant is a PSC Executive, the Actual Participant shall be credited with Additional Years of Service, the amount of which shall be determined and phased in as follows. First, the amount of Additional Years of Service shall be calculated by dividing by forty-eight (48) the number of whole and partial months which elapsed from the date of the Actual Participant's 25th birthday to the Actual Participant's date of hire or rehire with an Affiliated Company (or the date the Company or other Affiliated Company acquired the Affiliated Company, if later), excluding any number of whole months during that time in which such Actual Participant was an Employee. For purposes of this definition, a month of service means any calendar month during any part of which an Employee is employed by an Affiliated Company and shall not duplicate any service granted in paragraph (a) above. Second, such Additional Years of Service shall be phased in month by month as the Actual Participant accrues Years of Service, commencing at the beginning of such Actual Participant's fifth year as an Employee, at the rate of one forty-eighth of the total

years and months of such Additional Years of Service per month, until the earliest of such time as such Actual Participant has been credited with the full amount of his or her Additional Years of Service, such Actual Participant's designation as an Actual Participant is revoked or such Actual Participant incurs a Termination of Employment.

(iii) Notwithstanding the foregoing, no Employee may be designated a PSC Executive on or after January 1, 2009 and no Employee who has not already become an Actual Participant as of March 1, 2009 may be credited with Additional Years of Service.

Article 3. Participation

3.01. Participation as of Effective Date. Each person who, immediately prior to the Effective Date, was entitled to receive benefits under the Plan upon his or her Termination of Employment or death (a "Prior Participant"), shall continue as a participant in the Plan and retain such entitlement as of the Effective Date, subject to the provisions of Section 3.03.

3.02. Participation after Effective Date. On and after the Effective Date, an Employee who is not a Prior Participant shall become an Actual Participant only upon satisfaction of all the requirements stated in the definition of Actual Participant.

3.03. Cessation of Eligibility. In the event that an Employee shall cease to qualify as an Actual Participant with respect to periods after December 31, 2009 as the result of ceasing to hold a position designated pursuant to Section 2.01(iii) as eligible for participation in the Plan or in the event that the Chief Executive Officer of the Company or the Administrator shall revoke the eligibility of an Actual Participant to continue to

participate in the Plan pursuant to Section 2.01, the status of such individual as an Actual Participant shall cease as of the earlier of (i) his or her date of Termination of Employment, (ii) the last day of the Plan Year in which the individual ceases to hold a position designated pursuant to Section 2.01(iii), or (iii) the date that the individual's eligibility to continue to participate in the Plan is revoked. Such an individual's Retirement Benefit shall be determined as of such date of cessation of participation, so that, for purposes of determining such person's Retirement Benefit in accordance with Section 4.01, such person's Applicable Percentage, Final Average Compensation, and Years of Service shall all be determined as of the date on which such individual ceased to be an Actual Participant. Notwithstanding the foregoing, a Prior Participant who has ceased to qualify as an Actual Participant with respect to periods on or after the Effective Date shall continue to participate in the Plan after the Effective Date and shall be treated as an Actual Participant until his or her Date of Termination unless his or her eligibility to continue to participate in the Plan as an Actual Participant is revoked in accordance with Section 2.01. In the event that the Compensation of an Actual Participant shall fall below the level specified in Section 2.01(ii), the Actual Participant shall nevertheless continue as an Actual Participant in the Plan until his or her participation otherwise terminates as provided in the Plan.

3.04. Forfeiture for Cause. If the Administrator determines, whether prior to or after Termination of Employment, that an Actual Participant has engaged in conduct that constitutes Cause (including conviction of, or plea to, a felony), the Administrator shall revoke that participant's status as an Actual Participant and if the Actual Participant is still employed, his or her Retirement Benefit shall be forfeited in its entirety and he or she

shall cease to be an Actual Participant in the Plan. If the Administrator determines, after an Actual Participant's Termination of Employment, that the participant has engaged in conduct that constitutes Cause (including conviction of, or plea to, a felony), the Actual Participant's Retirement Benefit shall be forfeited in its entirety and the Actual Participant shall be required to repay any portion of the Retirement Benefit that has already been distributed to him or her. If the Administrator reasonably believes that an Actual Participant has engaged in conduct that could provide the basis for a conviction of, or plea to, a felony and thus constitute Cause, the Administrator may withhold any or all payments of the Retirement Benefit to that Actual Participant until the Administrator reasonably concludes that such conduct will not result in a conviction of, or plea to, a felony by that participant.

3.05. Cessation of Participation. An Actual Participant shall cease to be an Actual Participant on the date that all distributions due such Actual Participant or his or her Beneficiary have been made or his or her benefit is forfeited under Section 3.04.

Article 4. Retirement Benefit

4.01. Amount of Benefit.

(a) Each Actual Participant as of December 31, 2009, and each Potential Participant who becomes an Actual Participant as the result of receiving a fifth Award under an Incentive Plan by March 1, 2010, shall be entitled under this Plan following his or her retirement or other Termination of Employment to a benefit (the "Retirement Benefit"), expressed as a single life annuity commencing on the Actual Participant's Termination

Date, equal to the product of (i) the Vesting Percentage multiplied by (ii) the sum of (A) plus (B), reduced by (C), where

(A) is equal to the Applicable Percentage set forth in Appendix A1 of the product of (i) the Actual Participant's Years of Service earned through December 31, 2009 (not to exceed 30), and (ii) 2% of the Actual Participant's Final Average Compensation, and where

(B) is equal to the Applicable Percentage set forth in Appendix A2 (provided, however, that in the case of an Actual Participant who has a Termination Date between January 1, 2010 and December 31, 2010, the Applicable Percentage shall be the Applicable Percentage set forth in Appendix A1) of the sum of (i) plus (ii), where (i) is equal to the Actual Participant's Final Average Compensation up to the Social Security Integration Level multiplied by the Actual Participant's Years of Service (less the number of Years of Service taken into account under Section 4.01(a)(A) if applicable) multiplied by 1%, and (ii) is equal to the Actual Participant's Final Average Compensation in excess of the Social Security Integration Level multiplied by the Actual Participant's Years of Service (less the number of Years of Service taken into account under Section 4.01(a)(A) if applicable) multiplied by 1.5%; Years of Service for purposes of this sub-paragraph 4.01(a)(B) shall be limited to 35 years (30 years for those individuals listed on Appendix B hereto), in each case less the number of Years of Service taken into account under Section 4.01(a)(A) if applicable, and where

(C) is equal to the following benefits to which the Actual Participant is or will become entitled, or which the Actual Participant received prior to the date of determination:

(1) All benefits paid or accrued under all qualified or nonqualified defined benefit or defined contribution retirement plans sponsored by an Affiliated Company (including, without limitation, any amounts paid to the Actual Participant under this Plan prior to the date of determination); provided, however, that non-qualified defined benefit and defined contribution benefits with respect to Non-Grandfathered Benefit accruals shall be estimated on the later of (i) January 1, 2009, if the person was an Actual Participant on such date or (ii) at the time that the person becomes an Actual Participant in the Plan, to be the amount of benefit that will be payable at the Actual Participant's Normal Retirement Date and such estimate will subsequently be adjusted to reflect any increases or decreases in such benefit only if such adjustment will not cause a violation of Code Section 409A to occur. Notwithstanding the foregoing, only the portion of any such benefit attributable to Affiliated Company contributions shall be taken into account. For purposes of the preceding sentence, Affiliated Company contributions shall not include an Actual Participant's elective deferrals under any such plan, or earnings credited to any such elective deferrals to the extent such earnings are based on a reasonable interest rate or on one or more predetermined investments; and

(2) The employer portion of any social security or other retirement benefits provided by any Federal, state, local, or foreign government, provided, however, that the offset of any such foreign benefit shall not violate the provisions of Section 409A of the Code. Such employer portion shall be equal, in the case of a social security

benefit, to the employer portion of the Actual Participant's projected social security benefit (at the Actual Participant's social security full benefit retirement age) multiplied by a fraction the numerator of which is the Actual Participant's Years of Service, excluding any such Actual Participant's Additional Years of Service, and the denominator of which is 35. For purposes of determining an Actual Participant's projected social security benefit, it shall be assumed that the social security wage base remains constant in years following the Actual Participant's Termination of Employment and that in each of the 35 years prior to the Actual Participant's social security full benefit retirement age he or she has earned income of at least the social security wage base applicable to such year.

(b) In the event the amount determined in (C)(1) and (2) above (other than a US social security benefit or social insurance or similar non-US benefit) is not payable in the form of a single life annuity commencing on the Actual Participant's Termination Date, the offset calculation in Section 4.01(a)(C) shall be performed using such actuarial and other adjustments as the Administrator shall determine.

(c) The Grandfathered Benefit of a Grandfathered Participant who has elected pursuant to Section 4.04 to have payment of his or her Grandfathered Benefit commence after his or her Termination Date shall be calculated as follows: (i) the Grandfathered Benefit shall be calculated in accordance with the foregoing provisions of this Section 4.01 as if payment of the Grandfathered Benefit would commence as of the Grandfathered Participant's Termination Date and then (ii) such Grandfathered Benefit shall be multiplied by a fraction, the numerator of which is the Applicable Percentage that would have applied if the Grandfathered Participant's Termination of Employment had occurred on the date as of which payment of the Grandfathered Benefit is to commence, and the denominator of

which is the Applicable Percentage in effect as of the date the Grandfathered Participant's Termination of Employment actually occurred.

(d) Notwithstanding any provision of the Plan to the contrary, if an Actual Participant who is a former Employee is rehired by an Affiliated Company and at the time of rehire the Actual Participant is receiving benefit payments under the Plan, payment of such benefits shall continue to be paid in accordance with the form of payment in effect with respect to such benefit. If such rehired Actual Participant meets the eligibility rules for participation as an Actual Participant after December 31, 2009, as of, or subsequent to, his or her date of rehire, upon such Actual Participant's subsequent Termination of Employment such Actual Participant's benefits with respect to the period after the date of his or her rehire during which he or she qualified as an Actual Participant shall be calculated under Section 4.01 of the Plan based on the benefit formula, the Actual Participant's Years of Service and Compensation after the date of his or her rehire and if the Participant has been approved for Additional Years of Service in accordance with Section 2.37, on the basis of such Years of Service and Additional Years of Service; provided, however that any Additional Years of Service shall be reduced by the Additional Years of Service that were taken into consideration when calculating the Actual Participant's Retirement Benefit as of the Participant's prior Termination of Employment. If an individual does not meet the eligibility rules for participation as an Actual Participant following his or her date of rehire (and thus has accrued no additional benefits under the Plan following his or her date of rehire), such Actual Participant shall not be entitled to receive any additional benefits in respect of his or her Years of Service subsequent to his date of rehire.

(e) (1) The benefit of an Actual Participant who has ceased to qualify as an Actual Participant under Section 3.03 of the Plan shall be determined in accordance with the provisions of Section 3.03.

(2) Distribution of the benefit of a Participant who has ceased to qualify as an Actual Participant in accordance with Section 3.03 shall be made at the time that the Participant has incurred an actual Termination of Employment and shall be made in accordance with the applicable provisions of Section 4.02, 4.03, 4.04 or 4.05 and the amount to be distributed will be calculated in accordance with Section 3.03. The Retirement Benefit calculated under Section 3.03 shall be multiplied by a fraction, the numerator of which is the Applicable Percentage based on the Participant's age at the time of the Participant's Termination of Employment and the denominator of which is the Applicable Percentage in effect as of the date that the Participant's status as an Actual Participant ceased.

(f) Notwithstanding any provision of the Plan to the contrary, the benefits described herein shall in no event be less than the benefit described in Appendix C with respect to certain participants who as of the date hereof are participants in The Heil Co. Supplemental Executive Retirement Plan, the provisions of which are superseded and replaced by the provisions set forth herein.

(g) The Retirement Benefit of an Employee who becomes an Actual Participant on or after January 1, 2010 (other than an Potential Participant as who becomes an Actual Participant as the result of receiving a fifth Award under an Incentive Plan by March 1, 2010 as described in Section 4.01(a)), shall be the Retirement Benefit calculated solely

under the formula in Section 4.01(a)(B) and the Applicable Percentage in Appendix A2 and all of his or her Years of Service not to exceed 35 years (30 years for those individuals listed on Appendix B hereto), less the offsets in Section 4.01(a)(C). For the avoidance of doubt, no portion of the Retirement Benefit for such an Actual Participant shall be calculated under the formula in Section 4.01(a)(A).

4.02. Automatic Cash-Outs.

(a) Notwithstanding the provisions of Sections 4.03 and 4.04, in the case of any Actual Participant who has a Termination of Employment and:

- (1) if the lump-sum value of his or her Non-Grandfathered Benefit under the Plan is \$500,000 or less, the lump-sum value of such benefit shall be paid out as soon as practicable after his or her Termination of Employment, but in no event later than 90 days after his or her Termination of Employment; and
- (2) if the lump-sum value of his or her Grandfathered Benefit is \$50,000 or less, subject to Section 4.02(c), the lump-sum value of such benefit shall be paid out within 30 days after his or her Termination of Employment;

(b) In the case of an Actual Participant who has a Termination of Employment and the lump-sum value of his or her Non-Grandfathered Benefit exceeds \$500,000, 75% of the lump-sum value of such benefit shall be paid out as soon as practicable after his or her Termination Date, but in no event later than 90 days after his or her Termination Date, and 20% of the remaining lump-sum value shall be paid on or about each of the next subsequent five anniversary dates of the date as of which the initial lump-sum payment

was made or, if the initial payment was subject to Section 4.02(c), the anniversary of the date on which the initial payment would have been made if Section 4.02(c) were not applicable, but in no event later than 90 days after the applicable anniversary date.

(c) Notwithstanding the foregoing, the Non-Grandfathered Benefit of an Actual Participant who on the date of his or her Termination of Employment is a Specified Employee shall be (i) calculated as of the Actual Participant's Termination Date, (ii) increased with interest at the "First Segment Rate" (within the meaning of Section 430(h)(2)(C)(i) of the Code) as such rate is in effect on the date as of which the benefit is to be paid (or commence to be paid), and (iii) paid (or commence to be paid) as of the first day of the month coincident with or next following six months after his or her Termination Date, but in no event later than 90 days after such date.

4.03. Automatic Payments in Other Circumstances. In the case of any Grandfathered Participant to whom Section 4.02 does not apply and for whom no valid election under Section 4.04 is in effect, such Grandfathered Participant's Grandfathered Benefit shall be paid in the manner set forth in this Section 4.03.

(a) If the Grandfathered Participant participates in one or more qualified defined benefit plans sponsored by an Affiliated Company, his or her Grandfathered Benefit shall commence at the same time and be paid in the same form as his or her benefit under that qualified plan. If the Grandfathered Participant is covered under more than one such plan, the plan in which he or she has the greatest benefit will be controlling.

(b) If the Grandfathered Participant does not participate in any qualified defined benefit plan sponsored by an Affiliated Company, his or her Grandfathered Benefit shall

be paid as an actuarially reduced 50% joint and survivor annuity (if the Grandfathered Participant is married) with the Grandfathered Participant's spouse as the joint annuitant thereof, or a single life annuity (if the Grandfathered Participant is unmarried), commencing in either case at his or her Normal Retirement Date (or, if later, the first day of the month coinciding with or next following the date of his or her actual retirement).

4.04. Election of Optional Forms of Grandfathered Benefit.

(a) A Grandfathered Participant may file an election with the Administrator, on such form as the Administrator shall prescribe, specifying (i) with respect to any Grandfathered Benefit, the form in which such benefit is to be paid, and (ii) the time at which such benefit is to commence in the event of the Grandfathered Participant's Termination of Employment before his or her Normal Retirement Age. Such election may, subject to Section 4.04(c), be changed at any time.

(b) If a valid election is in effect pursuant to this Section 4.04(a), except as otherwise provided in Section 4.02, a Grandfathered Participant's Grandfathered Benefit shall be paid in the form specified in such election. Such Grandfathered Benefit shall commence (i) on the Grandfathered Participant's Normal Retirement Date (or, if later, the first day of the month coinciding with or next following the date of the Grandfathered Participant's actual retirement) if the Grandfathered Participant retires at or after his or her Normal Retirement Age, and (ii) in other cases, on the date specified in his or her election.

(c) An election or change in election pursuant to Section 4.04(a) shall be valid only if filed with the Administrator either (i) by December 31, 1997 or within 90 days after a Grandfathered Participant became an Actual Participant, whichever is later, or (ii) at least

12 months before he or she retires or otherwise terminates employment. Notwithstanding the preceding sentence, if a Grandfathered Participant whose most recent valid election with respect to his or her Grandfathered Benefit is for an annuity form of benefit demonstrates to the satisfaction of the Administrator that a relevant change in family circumstances has occurred since the filing of such election, such Grandfathered Participant may change his or her election to a different form of annuity commencing on the same date as that specified on such prior election, or may designate a new Beneficiary, without regard to such 12-month requirement.

(d) If, pursuant to Section 4.04(c), a change in a Grandfathered Participant's election is not valid, the valid election previously in effect shall determine the form and timing of his or her Grandfathered Benefit.

(e) The forms of benefit that a Grandfathered Participant may elect under the Plan with respect to his or her Grandfathered Benefit are (i) a single life annuity, (ii) a single life annuity with 60-month period certain, (iii) a single life annuity with 120-month period certain, or (iv) a 100% or 50%, or, effective with respect to distributions commencing on and after January 1, 2008, a 75% joint and survivor annuity. A lump-sum payment generally is not available as an elective form of benefit. A Grandfathered Participant may indicate on an election that he or she wishes to receive his or her Grandfathered Benefit in a lump-sum, or in a combination of lump-sum and installment payments, but in that event must also indicate the form in which he or she wishes the benefit to be paid if the lump-sum payment or combination lump-sum and installment payments request is denied. Requests for lump-sum payments or combination lump-sum and installment payments will be considered by the Administrator on a case-by-case

basis, and the granting of any such request shall be within the Administrator's sole discretion.

(f) A Grandfathered Participant who elects a joint and survivor form of benefit with respect to his or her Grandfathered Benefit shall designate his or her Beneficiary, who must be a natural person, in conjunction with such election. In the event of such Beneficiary's death before payment of the Grandfathered Benefit commences, the Grandfathered Benefit shall be paid in the form of a single life annuity unless he or she has filed a valid change in election pursuant to Section 4.04(c).

4.05. Calculation of Optional Forms of Benefit. If all or a portion of a Retirement Benefit is payable under Sections 4.02, 4.03 or 4.04 in a form of benefit other than a single life annuity, such benefit shall be converted to the applicable optional payment form using the annuity conversion or other applicable factors provided in Program SI of the Dover Pension Program under the Dover Pension Plan as in effect on such Actual Participant's Termination Date. Notwithstanding the foregoing sentence, (a) the interest rate that is used to calculate the lump sum value of a Non-Grandfathered Benefit of an Actual Participant who at the time of his or her Termination of Employment had not attained age 55 and completed 10 Years of Service shall not be less than the discount rate used for purposes of financial reporting for the Dover Pension Plan, as such rate is in effect on such Actual Participant's Termination Date; and (b) the lump sum payable with respect to a Grandfathered Benefit shall not be greater than the present value of the benefit the Grandfathered Participant is entitled to receive in accordance with the terms of the Plan (including applicable limits under the Code) as in effect on October 3, 2004, based on the actual form and time of payment, without taking into consideration any services rendered

by the Actual Participant after December 31, 2004, or any other events that occur after such date and affect the amount of, or the entitlement to, the benefit (other than the Participant's election with respect to the time or form of an available benefit), except to the extent that a change of any such terms may be taken into consideration without causing a violation of Section 409A of the Code to occur.

4.06. **Disability.** An Actual Participant who incurs a Disability as an Employee shall continue to accrue Years of Service during any approved disability leave of absence. Upon such Actual Participant's subsequent Termination of Employment or death, he or she (or his or her Beneficiary) shall be entitled to receive a distribution of his or her Retirement Benefit or Death Benefit pursuant to the other provisions of the Plan. For purposes of calculating such Retirement Benefit or Death Benefit, the Actual Participant's Final Average Compensation shall be determined as of the commencement of his or her Disability. For purposes of this Section 4.06, a disability leave of absence means a leave of absence not to exceed 29 months due to the Actual Participant's inability to perform the duties of his or her position of employment or any substantially similar position of employment by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months.

Article 5. Death Benefit

5.01. In the event of an Actual Participant's death prior to the commencement of payment of any portion of his or her Retirement Benefit, the Actual Participant's

Beneficiary shall be paid within 30 days after the Administrator receives notification of the Actual Participant's death, a lump-sum Death Benefit equal to the Retirement Benefit the Actual Participant would have received had he or she had a Termination of Employment immediately before his or her death (or on the Actual Participant's actual date of Termination of Employment, if earlier) and elected to receive his or her benefit in a lump-sum. In calculating such Retirement Benefit, the amount determined in accordance with Section 4.01(a)(C) shall be determined without regard to the fact of the Actual Participant's death.

In the event of a Grandfathered Participant's death after his or her benefit has commenced in the form of an annuity described in Section 4.03(a) or (b) or Section 4.04(e), benefits, if any, shall be paid in accordance with the form of annuity in which the benefits are being paid.

In the event of a Grandfathered Participant's or Non-Grandfathered Participant's death during such time as installment payments are being made to such Grandfathered Participant or Non-Grandfathered Participant, any remaining such payments shall be made to the Grandfathered Participant's or Non-Grandfathered Participant's Beneficiary at the same time or times as such payments would have been made had the Grandfathered Participant or Non-Grandfathered Participant survived to the applicable payment date or dates.

Article 6. Administration

6.01. This Plan shall be interpreted and administered by the Administrator. The Administrator shall administer the Plan in accordance with its terms and shall have all

powers necessary to carry out the Plan's provisions, including without limitation, the discretionary authority to interpret the Plan, to determine all questions arising in the administration, interpretation, and application of the Plan, to construe the terms of the Plan, including any doubtful or disputed terms and the eligibility for and the amount of benefits payable under the Plan, and to adopt rules and regulations consistent with the Plan. The Administrator's good-faith determination with respect to any issue relating to the interpretation of the Plan shall be conclusive and final on all persons.

Article 7. General Provisions

7.01. No Contract of Employment. The establishment of the Plan shall not be construed as conferring any legal rights upon any Actual Participant for a continuation of employment, nor shall it interfere with the rights of any Affiliated Company to discharge an Actual Participant or to treat him or her without regard to the effect which such treatment might have upon him or her as an Actual Participant in the Plan.

7.02. Withholding. As a condition to an Actual Participant's entitlement to benefits hereunder, the Company shall have the right to deduct (or cause to be deducted) from any amounts otherwise payable to the Actual Participant or other payee, whether pursuant to the Plan or otherwise, or otherwise to collect from the Actual Participant or other payee, any required withholding taxes with respect to benefits under the Plan.

7.03. Anti-Alienation Provisions. Subject to any applicable law, no benefit under the Plan shall be subject in any manner to, nor shall the Company be obligated to recognize, any purported anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall in any manner

be liable for or subject to garnishment, attachment, execution, or a levy, or liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Actual Participant.

7.04. Unfunded Benefits. The Plan is an unfunded plan maintained by the Company for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Plan shall not be construed as conferring on an Actual Participant any right, title, interest, or claim in or to any specific asset, reserve, account, or property of any kind possessed by the Company. To the extent that an Actual Participant or any other person acquires a right to receive payments from the Company, such rights shall be no greater than the rights of an unsecured general creditor.

7.05. Claim for Benefits. Any claim for benefits under the Plan shall be made in writing to the Administrator. If a claim is wholly or partially denied, the Administrator shall so notify the claimant (or his or her authorized representative), either in writing or electronically, within 90 days after receipt of the claim, unless the Administrator determines that special circumstances warrant an extension of time for processing the claim. If the Administrator determines that an extension of time for processing is required, the Administrator shall furnish written notice of the extension to the claimant (or his or her authorized representative) prior to termination of the initial 90-day period, but in no event shall the extension exceed a period of 90 days from the end of such initial period. The notice of extension shall indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render the final decision.

The notice of denial shall state (i) the specific reason(s) for the adverse determination, (ii) specific references to the pertinent Plan provisions upon which the determination is based, (iii) a description of any additional material or information necessary to perfect the claim together with an explanation of why such material or information is necessary, and (iv) an explanation of the Plan's claims review procedure, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

Within 60 days after the claimant's receipt of notice of the adverse determination, the claimant (or his or her authorized representative) may (i) file a request with the Administrator that it conduct a full and fair review of the denial of the claim, (ii) review pertinent documents, and (iii) submit questions and comments to the Administrator in writing. The claimant (or his or her authorized representative) shall be provided, upon request and without charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim for benefits.

The decision by the Administrator with respect to the review must be given within 60 days after receipt of the request, unless special circumstances require an extension, in which case the 60-day period shall be extended to 120 days upon notice to the claimant to that effect. In no event shall the decision be delayed beyond 120 days after receipt of the request for review. The decision shall be written in a manner calculated to be understood by the claimant and in the case of an adverse benefit determination shall include (i) specific reasons for the adverse determination, (ii) a specific reference to the Plan provisions upon which the decision is based, (iii) a statement that the claimant may receive, upon request and without charge, reasonable access to, and copies of, all

documents, records, and other information relevant to the claimant's claim for benefits, and (iv) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to bring an action under section 502(a) of ERISA.

A claimant is required to exhaust the Plan's claims and appeal procedure before bringing an action in federal or state court.

7.06. Incapacity. If the Administrator determines that any person to whom a benefit is payable under the Plan is unable to care for his or her affairs because of illness or accident, any payment due may be paid to the individual's spouse, child, parent, sibling, or to any person deemed by the Administrator to have incurred expense for such person otherwise entitled to payment unless a prior claim therefor shall have been made by a duly appointed guardian, committee, or other legal representative.

7.07. Successor Entities. This Plan shall be binding upon the successors and assigns of the Company. The Company shall require any successor (whether direct or indirect, and whether by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company, by written agreement to expressly assume and agree to perform the Company's obligations under the Plan in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place. The provisions of this Section 7.07 shall continue to apply to each subsequent employer of the Actual Participant hereunder in the event of any subsequent merger, consolidation, or transfer of assets of such subsequent employer.

7.08. Prior Plan. Effective as of January 1, 2010 the Prior Plan has been superseded in its entirety by the provisions of this Plan and no Employee is entitled to further benefits thereunder.

7.09. Governing Law. The laws of the State of New York shall govern the construction of this Plan and the rights and the liabilities hereunder of the parties hereto.

7.10. Plan Year. The plan year shall be the calendar year.

7.11. Headings. All headings are inserted solely for reference and shall not constitute a part of this Plan, nor affect its meaning, construction, or effect.

7.12. Limitation on Distributions to Covered Employees. Notwithstanding any other provision of this Article 7, in the event that an Actual Participant is a "covered employee" as defined in Section 162(m)(3) of the Code and any applicable regulations or other pronouncements issued by the Internal Revenue Service with respect thereto, or would be a covered employee if any benefits under the Plan were distributed in accordance with the provisions of the Plan described above, the Administrator may determine that the maximum amount which may be distributed with respect to an Actual Participant's benefits from the Plan in any Plan Year, shall not exceed one million dollars (\$1,000,000) less the amount of compensation paid to such Actual Participant in such Plan Year which is not "performance-based" (as defined in Section 162(m)(4)(C) of the Code), which amount shall be reasonably determined by the Company at the time of the proposed distribution; provided, however, that the Company also delays the payment of all other amounts that are not deductible in accordance with Section 162(m) of the Code which are scheduled to be paid to such Actual Participant for that year and to any other similarly

situated "covered employees" for that year. Any amount which is not distributed to the Participant in a Plan Year as a result of the limitation set forth in this Section 7.12 shall be distributed to the Participant in the first Plan Year in which distribution of such amount is in compliance with the foregoing limitation set forth in this Section 7.12 and with the provisions of Section 4.02(c).

7.13. Delayed Payments. Although it is intended that payments subject to Section 409A of the Code scheduled to be made under the Plan shall be made as provided herein, in no event shall any such payment be made later than the end of the calendar year in which the scheduled payment was to have been made, or, if later, prior to the 15th day of the third month following the date as of which the scheduled payment was to have been made; provided, however, that the Actual Participant or Beneficiary shall not have any direct or indirect discretion to designate the taxable year in which such payment pursuant to this Section 7.13 is to be made. For purposes hereof, the scheduled payment date of a payment that is scheduled to be made during a 90-day period shall be the first day of the 90-day period.

7.14. Discretion to Delay or Accelerate Payments in Certain Circumstances. Notwithstanding any provision hereof to the contrary, the Administrator shall have the discretion to modify the time or schedule of payments to be made hereunder, but only in the circumstances described in Section 1.409A-3(j)(4) of the Treasury Regulations, or, subject to applicable provisions of Code Section 409A, as may be necessary to comply with applicable law.

Article 8. Change of Control

8.01. Definition of Change of Control.

For purposes hereof, a "Change of Control" shall mean the occurrence of either (a), (b), or (c), below, or any combination of said occurrences, as described within the meaning of Treasury Regulation Section 1.409A-3(i)(5):

(a) Change in the Ownership of the Company. A change in the ownership of the Company occurs on the date that any one person, or more than one person "acting as a group," acquires ownership of the stock of the Company, that, together with stock held by such person or group, constitutes more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company. However, if any person or more than one person acting as a group is considered to own more than fifty percent (50%) of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a change in the ownership of the Company. An increase in the percentage of stock owned by any one person or persons acting as a group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock for purposes of this Section 8.01(a). This Section 8.01(a) applies only when there is a transfer of stock of the Company (or issuance of stock of the Company) and the stock of the Company remains outstanding after the transaction.

(b) Effective Change of Control. If the Company has not undergone a change in ownership under (a), above, a change in the effective control of the Company will occur on the date that either:

(i) Any one person, or more than one person "acting as a group," acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty-five percent (35%) or more of the total voting power of the stock of the Company; or

(ii) A majority of the members of the Company's Board of Directors is replaced during any twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors prior to the date of the appointment or election.

(c) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets occurs on the date that any person, or more than one person "acting as a group," acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than forty percent (40%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. There will be no Change of Control under this Section 8.01(c) when there is a transfer to an entity that is controlled by the shareholders of the Company immediately after the transfer. A transfer of assets by the Company is not treated as a change in ownership of such assets if the assets are transferred to:

(1) A shareholder of the Company (immediately before the asset transfer) in exchange for or with respect to its stock;

(2) An entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company;

(3) A person, or more than one person acting as a group, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company; or

(4) An entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a person described in Section 8.01(c)(3), above.

(d) Persons Acting as a Group. For purposes of this Section 8.01, persons will not be considered to be acting as a group solely because they purchase or own stock or purchase assets of the Company at the same time, or as a result of the same public offering. However, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock or assets, or similar business transaction with the Company. If a person, including an entity shareholder, owns stock in both the Company and another corporation that enters into a merger, consolidation, purchase or acquisition of stock or assets, or similar transaction, with the Company, such shareholder is considered to be acting as a group with other shareholders in the Company only with respect to the ownership in the Company before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation.

Notwithstanding the above, the definition of Change of Control for purposes hereof shall comply with the definition of such term in regulations issued by, or other pronouncements of, the Internal Revenue Service with respect to Section 409A of the Code.

8.02. Payments Upon Change of Control.

(a) In the event of a Change of Control, the value of each Actual Participant's Retirement Benefit accrued through the date of the Change of Control (and based on the Actual Participant's Years of Service through the date of the Change of Control) shall be paid to the Actual Participant (or if the Actual Participant has died to the Beneficiary of the Actual Participant) in a single lump-sum payment within sixty (60) days after the Change of Control or, if later, as soon as reasonably practicable following the Change of Control; provided, however, that the payment of the lump sum value of a Non-Grandfathered Benefit of a Specified Employee shall be paid on the first day of the month coincident with or following six months after the date of the Change of Control, if such payment delay is required in order to avoid a violation of Section 409A of the Code. For purposes hereof, the amount of the lump-sum payment shall be determined using (i) the actuarial assumptions set forth in the Administration Manual for the Plan as in effect immediately prior to the Change of Control, or (ii) such actuarial assumptions as shall be specified by the Continuing Directors (as defined in Article Fourteenth of the Company's Certificate of Incorporation) of the Company, provided that in no event shall the amount of the lump-sum payment be less than the amount as determined pursuant to (i) above.

(b) All determinations as to eligibility for and amount of benefits payable pursuant to (a) above shall be made by the Continuing Directors (as defined in Article

Fourteenth of the Company's Certificate of Incorporation) of the Company, and the decision of such persons shall be final and binding on the Company and all claimants.

Article 9. Amendment or Termination

9.01. The Company's Board of Directors or the Administrator may amend or terminate this Plan at any time; provided, however, that no amendment or termination of the Plan shall adversely affect the right of any Actual Participant to receive his or her accrued benefit under the Plan, as determined as of the date of such amendment or termination.

APPENDIX A

Applicable Percentage

The chart below sets forth the Applicable Percentages to be applied in calculating Retirement Benefits under Section 4.01.

Employee Group	Termination Date	Retirement Benefit prior to offsets	
		Determined Under Section 4.01(a)(A)	Determined Under Section 4.01(a)(B)
Actual Participants on December 31, 2009 and Potential Participants on December 31, 2009 who become an Actual Participant as the result of receiving their fifth Award by March 1, 2010	January 1, 2010 through December 31, 2010	Appendix A1	Appendix A1
Actual Participants on December 31, 2009 or Potential Participants on December 31, 2009 who become an Actual Participant as the result of receiving their fifth Award by March 1, 2010	January 1, 2011 and later	Appendix A1	Appendix A2
All other participants	January 1, 2010 and later	N/A	Appendix A2

Actual Participant's Age at his/her Termination Date:	Appendix A1		Appendix A2
	If the Actual Participant retires with less than 10 Years of Service ¹ or the Actual Participant's Termination Date occurred before January 1, 2003:	If the Actual Participant retires with 10 or More Years of Service ¹ and the Actual Participant's Termination Date occurred after December 31, 2002:	
Age 55 through actual Termination Date	100%, reduced by 5/12 of 1% for each month that retirement age precedes age 65	100%, reduced by 5/12 of 1% for each month that retirement age precedes age 62	100% reduced by 5/9 of 1% for each of the first 60 months and 5/18 of 1% for each of the next 60 months that the retirement age precedes age 65
Age 55 through age 45	50%, reduced by 1/4 of 1% for each month that retirement precedes age 55	65%, reduced by 1/4 of 1% for each month that retirement precedes age 55	50%, actuarially reduced for each month that retirement precedes age 55. The actuarial reduction is determined under Program SI of the Dover Pension Program under the Dover Pension Plan as in effect on the participant's benefit commencement date

*Appendix A1**Appendix A2*

Actual Participant's Age at his/her Termination Date:	If the Actual Participant retires with less than 10 Years of Service¹ or the Actual Participant's Termination Date occurred before January 1, 2003:	If the Actual Participant retires with 10 or More Years of Service¹ and the Actual Participant's Termination Date occurred after December 31, 2002:
Prior to Age 45	20%, reduced by 1/12 of 1% for each month that retirement precedes age 45	35%, reduced by 1/12 of 1% for each month that retirement precedes age 45
Prior to Age 35	10%	25%

¹ Additional Years of Service (as described in Section 2.37) shall be disregarded with respect to any Actual Participant who was hired by an Affiliated Company on or after January 1, 2005 and any Actual Participant who became an Employee by reason of his employing entity or business being acquired by the Company or other Affiliated Company on or after January 1, 2005.

Appendices A1 and A2 set forth below provide examples of the Applicable Percentages at a sample of Integral Ages.

APPENDIX A1

Less than 10 Years of Service (excluding PSC for employees hired after 1/1/05) at Termination Date

More than 10 Years of Service (excluding PSC for employees hired after 1/1/05) at Termination Date

Age at Termination Date	Applicable Percentage	Age at Termination Date	Applicable Percentage	Age at Termination Date	Applicable Percentage
65	100%	65	100%	65	100%
64	95%	64	100%	64	93.33%
63	90%	63	100%	63	86.67%
62	85%	62	100%	62	80.00%
61	80%	61	95%	61	73.33%
60	75%	60	90%	60	66.67%
59	70%	59	85%	59	63.33%
58	65%	58	80%	58	60.00%
57	60%	57	75%	57	56.67%
56	55%	56	70%	56	53.33%
55	50%	55	65%	55	50.00%
50	35%	50	50%	50	31.34%
45	20%	45	35%	45	20.21%
40	15%	40	30%	40	13.32%
35	10%	35	25%	35	8.91%

APPENDIX A2

APPENDIX B

Individuals whose Years of Service are limited, pursuant to Section 4.01(a)(B), to 30 Years:

Robert A. Livingston
Robert G. Kuhbach
David J. Ropp
Brad M. Cerepak
William W. Spurgeon
David Van Loan

APPENDIX C

The following is the minimum benefit described in Section 4.01(f) with respect to James Sanko and John Snodgrass, both of whom were participants in The Heil Co. Supplemental Executive Retirement Plan (the "Heil SERP"), the minimum benefit amount of which shall be determined as the excess of (A) over (B), if any:

(A) The benefit that would have been payable to such individual or, if such individual has died, his Beneficiary, under the provisions of Salaried Program VI of the Dover Corporation Pension Plan, computed without regard to the limitation on benefits imposed by Section 415 of the Code and the limitation on considered compensation imposed by Section 401(a)(17) of the Code.

(B) The sum of (i) and (ii) where (i) is the benefit payable to such individual or, if such individual has died, his Beneficiary, under the provisions of Salaried Program VI of the Dover Corporation Pension Plan, and (ii) is the actuarial equivalent benefit of the Dover Corporation Retirement Savings Plan account balance of the individual attributable to employer contributions.

Any such benefit shall be payable as a lump sum subject to the provisions of Section 4.02.



280 Park Avenue
New York, NY 10017-1216

Jay L. Kloosterboer
Vice President, Human Resources

Phone: (212) 849-4514
Fax: (212) 922-0945
Email: jlk@dovercorp.com

November 13, 2009

Dear Rob:

In connection with your upcoming retirement from Dover, this letter sets forth our mutual understandings concerning your retirement:

Retirement. Your retirement from Dover will be effective December 1, 2009, at which time you will resign from all positions with Dover and all its affiliates as the member of any governing body of any Dover affiliates.

Consulting. In consideration of the agreements set forth in this letter, you agree to make yourself available as a consultant from the date of your retirement through March 31, 2010 to provide advice about the transition of your services, special projects, and matters on which you worked prior to retirement. You agree to provide such services as an independent contractor for no additional consideration other than that set forth in this letter. The parties agree that you may provide such consulting services at a location of your choosing, except if Dover shall request your services to be provided at its New York offices from time to time. You agree that Dover shall not have the right to direct and control the performance of your consulting services or the method of your work. The parties agree that the level of your consulting services shall not exceed more than 20% of the average level of services performed by you during the 36 months prior to your retirement during any four week period. During the consulting period, you shall be free to consult with, or serve on the board of directors of, any third party organization, provided it does not interfere with any consulting work requested by Dover. Dover shall reimburse you promptly for your reasonable out of pocket expenses incurred in connection with any consulting work after presentation of a voucher and supporting documentation, all in accordance with Dover policies. Any request for reimbursement of expenses must be made no later than April 30, 2010 and will be paid no later than May 31, 2010.

Bonus. In consideration of your contributions to Dover, you will receive a bonus of \$976,000 for 2009, to be paid as soon as practical after the signing of this agreement.

Benefits. You will continue to participate in the employee benefit plans in which you presently participate through your retirement date at which time your participation shall cease, except (a) as provided for retired persons in those plans, and (b) that you and your spouse shall continue to be eligible to participate, until you become eligible to participate in Medicare, in the medical, dental and prescription drug plans offered by

Dover Corporation to its Corporate office employees subject to your payment of the cost thereof. You shall be responsible for payment of the cost of such continued participation at the applicable COBRA premium rates as in effect from time to time. You acknowledge that you are not entitled to any benefits, other than those specifically addressed in this letter.

Pension Benefits. Your benefits under the Dover Corporation Supplemental Executive Retirement Plan ("SERP") shall be calculated as of your retirement date. Your grandfathered benefits under the SERP shall be paid in January, 2010 pursuant to your benefit election. Your non-grandfathered benefits under the SERP shall commence in January, 2010 pursuant to the provisions of the SERP, subject to a six month payment delay required by Section 409A of the Internal Revenue Code. The summary outline of your SERP benefits is shown in the Attachment to this letter. As provided in the SERP Plan document (as amended and restated as of January 1, 2009), you will be an Actual Participant until all payments shown in the Attachment are paid, which payments shall accelerate in the event of a "Change of Control" in accordance with Section 8.02 of the plan. Your benefits under the Dover Corporation Pension Plan shall be calculated as of your retirement date and shall be distributed in accordance with the provisions of such plan. Any retirement benefits under the Dover Retirement Savings Plan shall be provided in accordance with the provisions of such plan.

Incentive Awards. With respect to your options, stock settled stock appreciation rights ("SSARs"), performance share awards, and Cash Performance Plan ("CPP") awards granted under the 2005 Equity and Cash Incentive Plan and the 1995 Incentive Stock Option Plan and 1995 Cash Performance Program (the "Plans"), you will have until the earlier of 60 months following your retirement date and the expiration date of your options and SSARs to exercise those options and SSARs which are exercisable as of your termination date or become exercisable during the 60 months following your termination, subject to your compliance with the provisions of the Plans. You will be entitled to receive any payments under your performance share awards and CPP awards if and when they become due (last payment scheduled for February 2012) and your benefits will be administered in accordance with the provisions of the Plans.

Deferred Compensation. The funds you have accumulated in the Dover Deferred Compensation Plan will be paid out in accordance with the terms of that plan and the retirement distribution elections that you have made.

Release. (a) You agree to release Dover Corporation, its affiliates, and their current and former shareholders, directors, officers, employees, successors and assigns, and employee benefit plan fiduciaries (collectively "Dover Persons") with respect to any claims you have, had or may ever have against any of them arising on any basis and under any law, whether known or unknown, suspected or unsuspected, and not to sue with respect to those claims provided that your release of claims shall not release (i) any rights to indemnification pursuant to Dover's by-laws or otherwise, (ii) your right to

enforce this agreement, or (iii) your rights to receive benefits under any of the employee benefit plans or other compensation arrangements in which you participate.

(b) Your release is intended to and shall release the Dover Persons from any and all claims against the Dover Persons arising out of your employment and/or your retirement, including, but not limited to: (i) any claim under the Age Discrimination in Employment Act, Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Equal Pay Act, the Family Medical Leave Act, the Sarbanes-Oxley Act, the Employee Retirement Income Security Act of 1974, as amended (excluding claims for benefits under the employee benefit and other compensation plans of Dover in which you participate) and the Family and Medical Leave Act; (ii) any claim under the New York State Human Rights Law, New York Executive Law, New York City Administrative Code, New York State Constitution, or New York common law; (iii) any other claim (whether based on a constitution, executive order, or federal, state, or non-U.S. local law, statutory, administrative or decisional), relating to or arising out of your employment, or the termination of such employment, including but not limited to breach of contract (express or implied), wrongful discharge, detrimental reliance, defamation, emotional distress or compensatory or punitive damages; and (iv) any claim for attorneys' fees, costs, disbursements and/or the like.

(c) You acknowledge that you: (i) have carefully read this agreement in its entirety; (ii) are hereby advised by Dover in writing to consult with an attorney of your choice in connection with this agreement; (iii) fully understand the significance of all of the terms and conditions of this agreement and have discussed them with your independent legal counsel, or have had a reasonable opportunity to do so; (iv) have had answered to your satisfaction by your independent legal counsel any questions you have asked with regard to the meaning and significance of any of the provisions of this agreement; and (v) are signing this agreement voluntarily and of your own free will and agree to abide by all the terms and conditions contained herein. You acknowledge that you have had an opportunity to consider this agreement for up to twenty-one (21) days before signing it. You may also revoke this agreement within seven (7) days after executing it by notifying in writing Jay L. Kloosterboer (or his successor) at the offices of Dover in New York.

Cooperation. You agree to provide reasonable amounts of cooperation to Dover and its counsel in connection with any investigation, administrative proceeding or litigation relating to any matter that occurred during your employment in which you were involved or of which you have knowledge. Dover shall make every effort to accommodate your needs as far as work location and time schedule and shall take into account your other obligations and business and personal commitments as may exist from time to time in requesting your cooperation. To the extent that your cooperation requires a considerable commitment of your time, Dover will discuss with you a mutually acceptable compensation arrangement. You shall be reimbursed for any reasonable out of pocket expenses incurred in connection with this cooperation. Reimbursement of

expenses will be made as soon as practicable after presentation of a voucher and supporting documentation in accordance with Dover policies but not in any event later than December 31 of the year following the year in which an expense is incurred. The amount of expenses reimbursed in any year shall not affect the expenses eligible for reimbursement in a later year.

Entire Agreement. This letter contains the entire agreement between the parties with respect to your retirement and the subject matter of this letter and supersedes any prior written or oral agreements or understandings with respect thereto. This agreement shall be governed by New York law without regard to the principles of conflicts of law.

Amendment. Any changes to the terms and provisions of this letter must be made in writing and agreed to by both of us.

Approval. Dover Corporation's agreements in this letter have been approved by the Dover Compensation Committee and the Board of Directors.

If you agree with the terms above, please sign the enclosed copy of this letter in the place indicated and return it to me.

DOVER CORPORATION

By: /s/ Jay L. Kloosterboer

Jay L. Kloosterboer
Vice President

Agreed:

/s/ Robert G. Kuhbach
Robert G. Kuhbach

Dated: 11/13/09

PRIVATE & CONFIDENTIAL

November 5, 2009

Caryl Keyloun
HR Coordination Manager
Dover Corporation
280 Park Avenue, Floor 34W
New York, NY 10017-12992

Dear Caryl:

As requested, we have determined Robert Kuhbach's January 1, 2010 SERP benefit based on termination and continued service through December 1, 2009. The present value of Mr. Kuhbach's January 1, 2010 SERP benefit is \$6,186,852. The SERP benefits are summarized in the table below. Please note that Mr. Kuhbach is also entitled to benefits from the Dover Pension Plan, Dover Retirement Savings Plan and the Dover Deferred Compensation Plan.

FINAL Dover SERP Retirement Benefits

<u>Benefit Payout Date</u>	<u>12/31/2004 Accrued SERP Benefit ¹</u>	<u>Post 1/1/2005 SERP Benefit</u>	<u>Total</u>
January 1, 2010	\$1,915,035	\$ 0	\$1,915,035
July 1, 2010	\$ 0	\$2,769,838	\$2,769,838
January 1, 2011	\$ 140,622	\$ 200,105	\$ 340,727
January 1, 2012	\$ 140,622	\$ 200,105	\$ 340,727
January 1, 2013	\$ 140,622	\$ 200,105	\$ 340,727
January 1, 2014	\$ 140,622	\$ 200,105	\$ 340,727
January 1, 2015	\$ 140,622	\$ 200,105	\$ 340,727

¹ Based on the IRS prescribed 417(e) applicable unisex mortality table and rates for 2010 lump sum distributions

Please note the following about these calculations:

- n Based on a January 1, 2010 benefit commencement date, the present value of Mr. Kuhbach's SERP benefit of \$6,186,852 is \$927,531 higher than our May 19, 2009 estimate. The reason for the benefit increase is attributable to an increase in the final average earnings, additional credited service through December 1, 2009 and the new 2010 lump sum basis, which is partially offset by an increase in Mr. Kuhbach's Dover Retirement Savings Plan account balance and additional Dover Pension Plan benefits.
- n Mr. Kuhbach is a specified employee so the value of his post 1/1/2005 SERP will be subject to a six month delay. In addition, Mr. Kuhbach's post January 1, 2005 SERP will be paid as an automatic 75% partial lump sum with the remaining amount paid in five annual installments since the amount is greater than \$500,000.

335 Madison Avenue, New York, NY 10017-4605 tel 212.309.3400 fax 212.309.0975

n It is our understanding that Mr. Kuhbach has elected to receive his grandfathered 12/31/2004 accrued SERP benefit as a lump sum. This payment will be subject to the Pension Committee approval. Please note that in the past, the Pension Committee has required that certain specified employees receive their Dover SERP benefit as a partial lump sum (i.e. a 75% lump sum received at retirement with the remaining 25% payable over the following five calendar years) rather than a 100% lump sum.

n Lump sums in 2010 will be based on PPA lump sum interest rates and require a 60% phase-in. Therefore the 2010 lumpsum rates are:

- 3.31% for the first 5 years (1st Segment rate)
- 5.05% for the next 15 years (2nd Segment rate)
- 5.32% for the next 20 years (3rd Segment rate)

In addition the mortality table was based on the 2010 Applicable Mortality Table (or AMT).

The rest of this letter describes the details of the estimate and the attached exhibit provides additional calculation details.

Medicare FICA Tax

IRS regulations require that deferred compensation earned under a nonqualified defined benefit plan (e.g., the Dover SERP) be subject to Medicare FICA Tax. Dover withholds the entire amount of Medicare FICA Tax as a one-time payment at retirement. The amount of FICA payable by Dover for Mr. Kuhbach on SERP accruals is \$89,709 as developed below:

DEVELOPMENT OF MEDICARE FICA TAX OF PENSION BENEFIT

A) Value of SERP Benefit based on total SERP accruals at Retirement	\$ 6,186,852
B) Value of December 31, 1993 SERP Benefit	\$ 0.00
C) Value of Benefit Subject to Medicare FICA Tax, A minus B	\$ 6,186,852
D) Amount of Medicare FICA tax, 1.45% times C	\$ 89,709

IRS regulations also require that deferred compensation earned under a nonqualified defined benefit plan (i.e., the Dover SERP) be subject to Social Security (OASDI) tax, to the extent taxable earnings are under the wage base (\$106,800 for 2010). Since Mr. Kuhbach will have earned less than the Social Security wage base as of January 1, 2010, he will be subject to an additional 6.2% OASDI FICA tax on his lump sum payment.

Please note that both the Medicare FICA tax and OASDI tax are due as of January 1, 2010.

Actuarial Assumptions and Methods

Please note the following with regard to these calculations:

- n Mr. Kuhbach is eligible to receive credited service under the Dover SERP from his February 1, 1993 hire date. In addition, Mr. Kuhbach receives 5.1667 years of additional SERP service since he was hired as an executive over the age of 39 (i.e. received a long term incentive award within 24 months of hire).
- n We have determined Mr. Kuhbach's 2009 base pay as 11/12ths of his January 1, 2009 base pay rate of \$610,000. It is our understanding that his SERP is contractually based on this pay rather than his actual 2009 base pay.
- n Mr. Kuhbach's gross SERP benefit is offset by the assumed portion of Social Security benefit he will receive attributable to Dover contributions plus the following qualified plan benefits:
 - Dover Pension Plan benefit
 - Annuitized value of company contributions from the Dover Retirement Savings Plan
- n Wachovia provided us with Mr. Kuhbach's September 30, 2009 Dover Retirement Savings Plan information. We have projected Mr. Kuhbach's account balance to December 1, 2009 assuming Mr. Kuhbach receives no additional employer contributions and that his account will earn an annual investment return of 6.50% from September 30, 2009 to December 1, 2009.
- n We have based this calculation on the data and historical pay information confirmed by Dover on October 14.
- n Lump sum amounts are calculated based on the Prescribed 417(e) mortality table and segment interest rates for 2010.

Please call if you have any questions.

Sincerely,



James M. Deregowski, ASA, EA
Senior consultant

Attachments

- cc: Jay Kloosterboer — Dover Corporation
Doug Wilson — Dover Corporation
Howard Markman — Towers Perrin/New York
Catherine Roy — Towers Perrin/New York

DOVER CORPORATION

DATE:

TO:

FROM:

SUBJ: Restricted Stock Award

Here are the details for your restricted stock award.

Number of shares of Dover Common Stock –
Date of Grant –
Restriction Period –

Your restricted stock award is subject to all the terms and provisions of the Plan, which terms and provisions are expressly incorporated into and made a part of the award as if set forth in full herein. A copy of the Plan is included with this award agreement.

In addition, subject to the forfeiture provisions of the Plan, your restricted stock award is subject to the following:

1. The shares of Restricted Stock awarded to you (the "Restricted Shares") will be recorded on Dover's books in your name. Dover will instruct its stock transfer agent to place a stop transfer order on the Restricted Shares until such time as the restrictions thereon lapse. In the event that you forfeit all or any portion of the Restricted Shares, the shares which are forfeited will automatically be transferred back to Dover. Your Restricted Shares will be held by Dover's Secretary during the Restriction Period, together with a stock power endorsed by you in blank in the form attached hereto as Exhibit A.
 2. You shall vest in the Restricted Stock Award, and all Restrictions thereon shall lapse [insert vesting schedule or period], subject to the forfeiture provisions of the Plan. You must be an active employee of Dover or a Dover affiliate on [insert vesting date] in order for [the applicable portion of] your Restricted Stock to vest, with certain exceptions as provided in the Plan [, provided that this Restricted Stock Award shall be forfeited if [insert exceptions] before the end of the Restriction Period].
 3. During the Restriction Period you shall have the right to receive any dividends declared and other distributions paid with respect to your Restricted Shares as such are declared and paid to stockholders with respect to common shares of Dover generally. You may vote the Restricted Shares during the Restriction Period.
-

4. The Restricted Shares may not be sold, assigned, transferred, pledged or otherwise encumbered and shall not be subject to execution, attachment, garnishment or other similar legal process. Upon any attempt to sell, transfer, assign, pledge, or otherwise encumber or dispose of the Restricted Shares contrary to the provisions hereof or of the Plan, the Restricted Shares shall immediately be forfeited to Dover.

5. By accepting this award, you consent to the transfer of any information relating to your participation in the Plan to Dover and its affiliates.

6. Dover and your employer reserve the right to amend, modify, or terminate the Plan at any time in their discretion without notice.

Please acknowledge receipt of a copy of the Plan and your agreement to the terms and conditions set forth herein and therein by signing and returning one copy of this award agreement together with the attached stock power endorsed by you in blank. **This award agreement shall only become effective upon receipt by Dover of your signed copy of this agreement and the stock power endorsed by you in blank.**

Employee

Vice President

Date

**Exhibit A
to Restricted Stock Award Agreement**

STOCK POWER

FOR VALUE RECEIVED, _____

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

hereby sells, assigns and transfers unto

() Shares of the Common Capital Stock of Dover Corporation

_____ standing in my name on the books of said Corporation represented by Certificate(s) No(s). _____

herewith, and do hereby irrevocably constitute and appoint _____

_____ attorney to transfer the said stock on the books of said Corporation with full power of substitution in the premises.

Dated: _____

In presence of

Dover Subsidiaries — Domestic and Foreign

Domestic	Company Name	Where Incorporated
	Attachment Technologies, Inc.	Delaware
	Avborne Accessory Group, Inc.	Delaware
	Barker Sales & Service, Inc.	Iowa
	Barker Speciality Products, LLC	Delaware
	Bayne Machine Works, Inc.	South Carolina
	Belvac Production Machinery, Inc.	Virginia
	Canada Organization & Development LLC	Delaware
	CCI Field Services, Inc.	Delaware
	Chief Automotive Technologies, Inc.	Delaware
	Clove Park Insurance Company	New York
	Colder Products Company	Minnesota
	Cook-MFS, Inc.	Delaware
	CP Formation LLC	Delaware
	CPE Acquisition Co.	Delaware
	CPI Products, Inc.	Delaware
	Crenlo LLC	Delaware
	Datamax-O'Neil Corporation	Delaware
	DD1, Inc	Delaware
	DDI Properties, Inc.	California
	DEK U.S.A., Inc.	Delaware
	DEK USA Logistics, Inc.	Delaware
	Delaware Capital Formation, Inc.	Delaware
	Delaware Capital Holdings, Inc.	Delaware
	De-Sta-Co Cylinders, Inc.	Delaware
	De-Sta-Co Manufacturing Tubular Products	Delaware
	DFH Corporation	Delaware
	Dielectric Laboratories, Inc.	Delaware
	Dover Acquisition Corporation	Delaware
	Dover BMCS Acquisition Corp.	Delaware
	Dover Corporation	Delaware
	Dover DEI Services, Inc.	Delaware
	Dover Diversified De, Inc.	Delaware
	Dover Electronic Technologies, Inc.	Delaware
	Dover Engineered Systems, Inc.	Delaware
	Dover Europe, Inc.	Delaware
	Dover Fluid Management, Inc.	Delaware
	Dover Global Holdings, Inc.	Delaware
	Dover Industrial Products, Inc.	Delaware
	Dover Services LLC	Delaware
	Dow-Key Microwave Corporation	Delaware

Company Name	Where Incorporated
DP Manufacturing Inc.	Delaware
EOA Systems, Inc.	Delaware
Everett Charles Technologies, Inc.	Delaware
FB iMonitoring Inc.	Delaware
Flexbar, Inc.	Delaware
Genesis Attachments, LLC	Delaware
Griswold Pump Company	Florida
Harley Attachments, LLC	Delaware
Hill PHOENIX, Inc.	Delaware
Hydro Systems Company	Delaware
Hydromotion, Inc.	Delaware
Industrial Motion Control, LLC	Delaware
Jewell Attachments, LLC	Delaware
JRB Attachments, LLC	Delaware
K&L Microwave, Inc.	Delaware
K. S. Boca Inc.	Florida
Kalyn/Siebert I, Inc.	Texas
Kalyn/Siebert L.P.	Texas
Knappco Corporation	Delaware
Knowles Electronics Holdings, Inc.	Delaware
Knowles Electronics Sales Corp.	Delaware
Knowles Electronics, LLC	Delaware
Knowles Intermediate Holding, Inc.	Delaware
KS Formation, Inc.	Delaware
Marathon Equipment Company (Delaware)	Delaware
MARKEM Holdings, Inc.	Vermont
MARKEM Tag, Inc.	Delaware
Markem-Image Corporation	New Hampshire
Midland Manufacturing Corporation	Delaware
Multitest Electronic Systems, Inc.	Delaware
Neptune Chemical Pump Company	Delaware
Northern Lights (Nevada), Inc.	Nevada
Northern Lights Funding LP	Delaware
Northern Lights Investments LLC	Delaware
Northern Lights Partners LLC	Delaware
Nova Controls	Delaware
Novacap, Inc.	Delaware
OK Holdings, Inc.	Delaware
OK International, Inc.	California
OPW Engineered Systems, Inc.	Delaware
OPW Epsilon, Inc.	Delaware
OPW Fuel Management Systems, Inc.	Delaware
OPW Fueling Components, Inc.	Delaware
OPW Fueling Containment Systems, Inc.	Delaware
Paladin Brands Holding Inc.	Delaware
PDQ Manufacturing, Inc.	Delaware
Pengo Corporation	Delaware

Company Name	Where Incorporated
Performance Motorsports, Inc.	California
Pioneer Labels, Inc.	Illinois
Pole/Zero Acquisition, Inc.	Delaware
Pro Rod USA Inc.	Delaware
Provacon, Inc.	Delaware
Pump Management Services Co., LLC	Delaware
Quartzdyne Inc.	Delaware
Revod Corporation	Delaware
Richards Industries, Inc.	Delaware
Robohand, Inc.	Delaware
SE Liquidation, LLC	Delaware
SEC Acquisition Co.	Delaware
Sonic Industries, Inc.	California
Sure Seal, Inc.	Delaware
Sweepster Attachments, LLC	Delaware
SWEP North America Inc.	Delaware
Texas Hydraulics, Inc.	Delaware
The Heil Co.	Delaware
Theta Oilfield Services, Inc.	Delaware
Tipper Tie, Inc.	Delaware
TMEC Acquisition Corp.	Delaware
Triton Systems of Delaware, Inc.	Delaware
Tulsa Winch, Inc.	Delaware
UAC Corporation	Delaware
Unified Brands, Inc.	Delaware
US Synthetic Corporation	Delaware
US Synthetic Southwest Marketing, Inc.	Utah
US Synthetic Texas Ltd	Texas
Vectron International, Inc.	Delaware
Vehicle Services Group, LLC	Delaware
Voltronics Corporation	New Jersey
VWS LLC	Delaware
Warn Industries, Inc.	Delaware
Waukesha Acquisition, LLC	Delaware
Waukesha Bearings Corporation	Wisconsin
Wilden Pump and Engineering LLC	Delaware
Windrock Incorporated	Tennessee
Wiseco Piston, Inc.	Delaware
Foreign	
A.U. RIB Limited	United Kingdom
ALMATEC Maschinenbau GmbH	Germany
ATG Luther & Maelzer GmbH	Germany
atg test systems asia Ltd.	Taiwan
ATM Solutions (Europe) Limited	United Kingdom
BlitzRotary GmbH	Germany
Calypso Europe Limited	United Kingdom

Company Name	Where Incorporated
Cash Services Ltd.	United Kingdom
CCMOP SAS	France
Ceramic & Microwave Products (Shanghai) Co., Ltd.	China
Chief Automotive Technologies (Shanghai) Trading Company, Ltd.	China
Colder Products Company GmbH	Germany
Colder Products Company LTD	Hong Kong
Columbus Insurance Ltd.	Cayman Islands
Compressor Valve Engineering Limited	United Kingdom
Contact Products Japan, Ltd. (JV)	Japan
C-Tech Oilwell Technologies Inc.	Alberta
Datamax Holdings Limited	United Kingdom
Datamax London Limited	United Kingdom
DEK Asia Pacific Private Limited	Singapore
DEK Consulting (Shanghai) Co., Ltd.	China
DEK Hungary Manufacturing & Technology LLC	Hungary
DEK Northern Europe Limited	United Kingdom
DEK Printing Machines (M) Sdn. Bhd.	Malaysia
DEK Printing Machines GmbH	Germany
DEK Printing Machines Limited	United Kingdom
DEK Technologies (Suzhou) Co. Ltd.	China
DEK Vectorguard Ltd.	United Kingdom
De-Sta-Co (Asia) Company, Limited	Thailand
DE-STA-CO Benelux B.V.	Netherlands
De-Sta-Co Europe GmbH	Germany
DE-STA-CO Shanghai Co. Ltd.	China
De-Sta-Co-Ema Industria e Comercio Ltda.	Brazil
Dover (Schweiz) Holding GmbH	Switzerland
Dover Asia Trading Private Ltd.	Singapore
Dover Canada Finance LP	Canada
Dover Corporation (Canada) Acquisition 1 Limited	Alberta
Dover Corporation (Canada) Limited	Canada
Dover Corporation Regional Headquarters	China
Dover CR, spol s r.o.	Czech Republic
Dover do Brasil Ltda.	Brazil
Dover Exports, Ltd.	Barbados
Dover France Holdings, S.A.S.	France
Dover France Participations SAS	France
Dover France Technologies S.A.S.	France
Dover German Holdings GmbH	Germany
Dover German Intra-Group Service GmbH	Germany
Dover German Partnership Holdings GmbH	Germany
Dover Global Trading Pte. Ltd.	Singapore
Dover Holdings de Mexico S.A. de C.V.	Mexico
Dover Hungary Board Test Manufacturing KFT	Hungary
Dover India Pvt., Ltd.	India
Dover International B.V.	Netherlands
Dover Italy S.r.L.	Italy

Company Name	Where Incorporated
Dover Luxembourg Finance Sarl	Luxembourg
Dover Luxembourg Holdings Sarl	Luxembourg
Dover Luxembourg S.N.C.	Luxembourg
Dover Netherlands Finance B.V.	Netherlands
Dover Netherlands Services B.V.	Netherlands
Dover Resources International de Mexico S. de R.L. C.V.	Mexico
Dover Singapore Private Limited	Singapore
Dover UK Holdings Limited	United Kingdom
Dover UK Sales Ltd	United Kingdom
DTG International GmbH	Switzerland
DTG Technology (Shenzhen) Co., Ltd.	China
Etz Elektrisches Testzentrum GmbH	Germany
Everett Charles Technologies (Shenzhen) Limited	China
Everett Charles Technologies (SuZhou) Co., Ltd.	China
Everett Charles Technologies, Ltd.	United Kingdom
Everett/Charles Japan, Ltd. (JV)	Japan
Ferguson CO. S.A.	Belgium
FTZ Fras- und Technologiezentrum GmbH	Germany
Grapas Nacionales De Mexico C.V. De S.A.	Mexico
Harbor Electronics SBN	Malaysia
Heil Asia Limited	Thailand
Heil Australia P/L	Australia
Heil Trailer France	France
Heil Trailer Internacional S.A.	Argentina
Heil-Europe Limited	United Kingdom
Hill Phoenix de Mexico, S.A. de C.V.	Mexico
Hiltap FittingsLtd	Canada
Hydro Nova Europe, Ltd.	United Kingdom
Hydronova Australia-NZ Pty Ltd	Australia
Icon Technology Company Ltd.	Hong Kong
Imaje (China) Co., Limited	China
Imaje Argentina S.A.	Argentina
Imaje ASPAC Pte. Ltd.	Singapore
Imaje Ink Jet Nv/Sa (Belgium)	Belgium
Imaje Inkjet Ireland Ltd.	Ireland
Imaje KK (Japan)	Japan
Imaje LLC	Russian Federation
Imaje Software Development Centre Pvt. Ltd.	India
Imaje UK Ltd.	United Kingdom
InfoCash Holdings Limited	United Kingdom
K&L Microwave DR, Inc.	Virgin Islands
Knowles Electronics (Malaysia) Sdn. Bhd.	Malaysia
Knowles Electronics (Suzhou) Co., Ltd.	China
Knowles Electronics (Weifang), Inc.	China
Knowles Electronics Denmark ApS	Denmark
Knowles Electronics Germany GmbH	Germany
Knowles Electronics Japan, K.K.	Japan

Company Name	Where Incorporated
Knowles Electronics Singapore Pte. Ltd	Singapore
Knowles Electronics Taiwan, Ltd.	Taiwan
Knowles Europe	United Kingdom
Knowles IPC (Malaysia) Sdn. Bhd.	Malaysia
LANTEC Winch & Gear Inc.	British Columbia
Luther & Maelzer Test (Dongguan) Co. Ltd.	China
M.A. RIB Ltd.	United Kingdom
MARKEM (Shanghai) Commercial Co. Ltd.	China
MARKEM Administrative Services, S.L.U.	Spain
MARKEM Coder Manufacturing (Jiashan) Co. Ltd.	China
MARKEM FZ SA	Uruguay
MARKEM Holdings, Unltd.	United Kingdom
MARKEM K.K.	Japan
MARKEM Pte. Ltd.	Singapore
MARKEM S.A. de C.V.	Mexico
MARKEM Systems Limited	United Kingdom
MARKEM UK Holdings 1 Unlimited	United Kingdom
MARKEM UK Holdings 2 Limited	United Kingdom
Markem-Imaje A/S	Denmark
Markem-Imaje AB	Sweden
Markem-Imaje Ag	Switzerland
Markem-Imaje AS	Norway
Markem-Imaje B.V.	Netherlands
Markem-Imaje Co., Ltd.	South Korea
Markem-Imaje GmbH	Germany
Markem-Imaje Identificacao de Produtos Ltda.	Brazil
Markem-Imaje Inc.	Canada
Markem-Imaje India Private Limited	India
Markem-Imaje Lda (Portugal)	Portugal
Markem-Imaje Limited	United Kingdom
Markem-Imaje Ltd (Hong Kong)	Hong Kong
Markem-Imaje Ltd (New Zealand)	New Zealand
Markem-Imaje Ltd.	Taiwan
Markem-Imaje Ltd.	Thailand
Markem-Imaje N.V.	Belgium
Markem-Imaje Oy	Finland
Markem-Imaje Pty Ltd	Australia
Markem-Imaje S.A. de C.V.	Mexico
Markem-Imaje S.r.l.	Italy
Markem-Imaje SAS	France
Markem-Imaje Sdn Bhd	Malaysia
Markem-Imaje Spain S.A.	Spain
Markpoint Holding AB	Sweden
Markpoint Real Estate B.V.	Netherlands
Markpoint System AB	Sweden
Mouvex SASU	France
Multitest Electronic Systems (Penang) Sdn.Bhd.	Malaysia

Company Name	Where Incorporated
Multitest Elektronische GmbH	Germany
Multitest Elektronische Systeme GmbH & Co KG	Germany
Nimaser BV	Netherlands
OK Electronics (Beijing) Co., Ltd.	China
OK International (Japan) Co.	Japan
OK International (UK) Ltd.	United Kingdom
OK International France SA	France
OK International GmbH	Germany
OPW Fluid Transfer Group (Shanghai) Trading Company Limited	China
OPW Fluid Transfer Group Europe B.V.	Netherlands
OPW Fueling Components (SuZhou) Co., Ltd.	China
OPW Fueling Components Europe B.V.	Netherlands
P.S. Precision B.V.	Netherlands
Paladin Mexico S. de R.L. de C.V.	Mexico
Petro Vend, Inc. [Poland]	Poland
PMI Europe B.V	Netherlands
PSG (Shanghai) Co., Ltd	China
PullMaster Winch Corporation	British Columbia
Revod Sweden AB	Sweden
Rotary Lift Consolidated (Haimen) Co., Ltd	China
RPA Maghreb Service	Morocco
Sargent Aerospace Canada, Inc.	Canada
Simek GmbH	Germany
St. Neots Sheet Metal Co. Limited	United Kingdom
SWEP A.G.	Switzerland
Sweep Energy Oy	Finland
Sweep Iberica S.A.s.v.	Spain
Sweep International A.B.	Sweden
Sweep Japan K.K.	Japan
SWEP Malaysia Sdn. Bhd.	Malaysia
SWEP Slovakia s.r.o.	Slovakia (slovak Republic)
SWEP Technology (Suzhou) Co., Ltd.	China
SWEP Trading (Suzhou) Co., Ltd.	China
Syfer Technology Limited	United Kingdom
Test Solutions (Suzhou) Co., Ltd.	China
Tipper Tie Alpina AG	Switzerland
Tipper Tie Technopack B. V.	Netherlands
Tipper Tie Technopack GmbH	Germany
Triton Europe PLC	United Kingdom
Vectron Frequency Devices (Shanghai) Co., Ltd	China
Vectron International GmbH & Co KG	Germany
Vectron International Verwaltungs GmbH	Germany
Waukesha Bearings Limited	United Kingdom
Wei Li Pump Shanghai Co., LTD.	China

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (File No. 333-149629) and Form S-8 (File Nos. 333-01419, 333-45661, 333-64160 and 333-125072) of Dover Corporation of our report dated February 19, 2010 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
New York, New York
February 19, 2010

Certification

I, Brad M. Cerepak, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dover Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Brad M. Cerepak

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

Date: February 19, 2010

Certification

I, Robert A. Livingston, certify that:

1. I have reviewed this Annual Report on Form 10-K of Dover Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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

Date: February 19, 2010

Exhibit 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
with Respect to the Annual Report on Form 10-K
for the Period ended December 31, 2009
of Dover Corporation

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

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2009, (the "Form 10-K") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
2. Information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert A. Livingston

Robert A. Livingston
Chief Executive Officer and President

Dated: February 19, 2010

/s/ Brad M. Cerepak

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

Dated: February 19, 2010

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