

AMETEK INC/  
Form DEF 14A  
March 19, 2012  
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## SCHEDULE 14A INFORMATION

### Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

## AMETEK, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required
- \$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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- (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
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- (5) Total fee paid:
  
  
  
  
  
  
  
  
  
  
- .. Fee paid previously with preliminary materials
  
  
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
  
  
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- (4) Date Filed:



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Notice of 2012  
Annual Meeting  
Proxy Statement  
Annual Financial Information  
and Review of Operations

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Tuesday, May 1, 2012

11:00 a.m. Eastern Daylight Time

InterContinental The Barclay New York

Sutton Room

111 East 48<sup>th</sup> Street

New York, NY 10017

*Dear Fellow Stockholder:*

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2012 Annual Meeting of Stockholders of AMETEK, Inc. At the Annual Meeting, you will be asked to:

1. Elect three Directors for a term of three years;
2. Cast an advisory vote to approve named executive officer compensation;
3. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2012; and
4. Transact any other business properly brought before the Annual Meeting.

Only stockholders of record at the close of business on March 16, 2012 will be entitled to vote at the Annual Meeting. Your vote is important. You can vote in one of four ways: (1) via the Internet, (2) by telephone using a toll-free number, (3) by marking, signing and dating your proxy card, and returning it promptly in the enclosed envelope, or (4) by casting your vote in person at the Annual Meeting. Please refer to your proxy card for specific proxy voting instructions.

We have included the annual financial information relating to our business and operations in Appendix A to the Proxy Statement. We also have enclosed a Summary Annual Report.

We hope that you take advantage of the convenience and cost savings of voting by computer or by telephone. A sizable electronic response would significantly reduce return-postage fees.

Whether you expect to attend the meeting or not, we urge you to vote your shares via the Internet, by telephone or by mailing your proxy as soon as possible. Submitting your proxy now will not prevent you from voting your stock at the Annual Meeting if you want to, as your proxy is revocable at your option. We appreciate your interest in AMETEK.

Sincerely,

Frank S. Hermance

*Chairman of the Board*

*and Chief Executive Officer*

Berwyn, Pennsylvania

Dated: March 23, 2012

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 1, 2012**

**Our Notice of 2012 Annual Meeting of Stockholders, Proxy Statement and Annual Report**

**are available at: <http://www.ametek.com/2012proxy>**

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*Principal executive offices*

1100 Cassatt Road

P.O. Box 1764

Berwyn, Pennsylvania 19312-1177

**PROXY STATEMENT**

We are mailing this Proxy Statement and proxy card to our stockholders of record as of March 16, 2012 on or about March 23, 2012. The Board of Directors is soliciting proxies in connection with the election of Directors and other actions to be taken at the Annual Meeting of Stockholders and at any adjournment or postponement of that Meeting. The Board of Directors encourages you to read the Proxy Statement and to vote on the matters to be considered at the Annual Meeting.

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**VOTING PROCEDURES**

**Your vote is very important.** It is important that your views be represented whether or not you attend the Annual Meeting. Stockholders who hold AMETEK shares through a broker, bank or other holder of record receive proxy materials and a Voting Instruction Form either electronically or by mail before each Annual Meeting. Prior to 2010, if you did not transmit your voting instructions before the Annual Meeting, your broker was allowed to vote on your behalf on the election of directors and other matters considered to be routine. Your broker is no longer permitted to vote on your behalf on the election of directors unless you provide specific instructions by completing and returning the Voting Instruction Form or following the instructions provided to you to vote your shares via the Internet or by telephone. For your vote to be counted, you now need to communicate your voting decisions to your broker, bank or other holder of record before the date of the Annual Meeting.

**Who can vote?** Stockholders of record as of the close of business on March 16, 2012 are entitled to vote. On that date, 160,727,448 shares of our Common Stock were issued and outstanding and eligible to vote. Each share is entitled to one vote on each matter presented at the Annual Meeting.

**How do I vote?** You can vote your shares at the Annual Meeting if you are present in person or represented by proxy. You can designate the individuals named on the enclosed proxy card as your proxies by mailing a properly executed proxy card, via the Internet or by telephone. You may revoke your proxy at any time before the Annual Meeting by delivering written notice to the Corporate Secretary, by submitting a proxy card bearing a later date or by appearing in person and casting a ballot at the Annual Meeting.

To submit your proxy by mail, indicate your voting choices, sign and date your proxy card and return it in the postage-paid envelope provided. You may vote via the Internet or by telephone by following the instructions on your proxy card. Your Internet or telephone vote authorizes the persons named on the proxy card to vote your shares in the same manner as if you marked, signed and returned the proxy card to us.

If you hold your shares through a broker, bank or other holder of record, that institution will send you separate instructions describing the procedure for voting your shares.

**What shares are represented by the proxy card?** The proxy card represents all the shares registered in your name. If you participate in the AMETEK, Inc. Investors Choice Dividend Reinvestment & Direct Stock Purchase and Sale Plan, the card also represents any full shares held in your account. If you are an employee who owns AMETEK shares through an AMETEK employee savings plan and also hold shares in your own name, you will receive a single proxy card for the plan shares, which are attributable to the units that you hold in the plan, and the shares registered in your name. Your proxy card or proxy submitted through the Internet or by telephone will serve as voting instructions to the plan trustee.

**How are shares voted?** If you return a properly executed proxy card or submit voting instructions via the Internet or by telephone before voting at the Annual Meeting is closed, the individuals named as proxies on the enclosed proxy card will vote in accordance with the directions you provide. If you return a signed and dated proxy card but do not indicate how the shares are to be voted, those shares will be voted as recommended by the Board of Directors. A valid proxy card or a vote via the Internet or by telephone also authorizes the individuals named as proxies to vote your shares in their discretion on any other matters which, although not described in the Proxy Statement, are properly presented for action at the Annual Meeting.

If your shares are held by a broker, bank or other holder of record, please refer to the instructions it provides for voting your shares. If you want to vote those shares in person at the Annual Meeting, you must bring a signed proxy from the broker, bank or other holder of record giving you the right to vote the shares.

If you are an employee who owns AMETEK shares through an AMETEK employee savings plan and you do not return a proxy card or otherwise give voting instructions for the plan shares, the trustee will vote those shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. Your proxy voting instructions must be received by April 26, 2012 to enable the savings plan trustee to tabulate the vote of the plan shares prior to the Annual Meeting.



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**How many votes are required?** A majority of the shares of our outstanding Common Stock entitled to vote at the Meeting must be represented in person or by proxy in order to have a quorum present at the Annual Meeting. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for the particular proposal and has not received instructions from the beneficial owner. If a quorum is not present, the Annual Meeting will be rescheduled for a later date.

Directors are elected by a plurality of the votes cast, subject to the Company's Corporate Governance Guidelines regarding resignations for Directors who do not receive a majority of for votes. Plurality means that the nominees receiving the largest number of votes cast are elected as Directors up to the maximum number of Directors to be chosen at the Annual Meeting. The approval of the advisory vote on executive compensation and the ratification of the appointment of Ernst & Young LLP require the affirmative vote of the holders of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter. Abstentions and broker non-votes are not counted as votes for or against these proposals. The advisory vote on executive compensation is not binding upon the Company. However, the Board and Compensation Committee will take into account the outcome of this vote when considering future executive compensation arrangements.

**Who will tabulate the vote?** Our transfer agent, American Stock Transfer & Trust Company, will tally the vote, which will be certified by independent inspectors of election.

**Is my vote confidential?** It is our policy to maintain the confidentiality of proxy cards, ballots and voting tabulations that identify individual stockholders, except where disclosure is mandated by law and in other limited circumstances.

**Who is the proxy solicitor?** We have retained Georgeson, Inc. to assist in the distribution of proxy materials and solicitation of votes. We will pay Georgeson, Inc. a fee of \$8,000, plus reimbursement of reasonable out-of-pocket expenses.

## **CORPORATE GOVERNANCE**

In accordance with the Delaware General Corporation Law and our Certificate of Incorporation and By-laws, our business and affairs are managed under the direction of the Board of Directors. We provide information to the Directors about our business through, among other things, operating, financial and other reports, as well as other documents presented at meetings of the Board of Directors and Committees of the Board.

Our Board of Directors currently consists of seven members. They are Anthony J. Conti, Frank S. Hermance, Charles D. Klein, Steven W. Kohlhagen, James R. Malone, Elizabeth R. Varet and Dennis K. Williams. The biographies of the continuing Directors and Director nominees appear on page 13. The Board is divided into three classes with staggered terms of three years each, so that the term of one class expires at each Annual Meeting of Stockholders.

**Corporate Governance Guidelines and Codes of Ethics.** The Board of Directors has adopted Corporate Governance Guidelines that address the practices of the Board and specify criteria to assist the Board in determining Director independence. These criteria supplement the listing standards of the New York Stock Exchange and the regulations of the Securities and Exchange Commission. Our Code of Ethics and Business Conduct sets forth rules of conduct that apply to all of our Directors, officers and employees. We also have adopted a separate Code of Ethical Conduct for our Chief Executive Officer and senior financial officers. The Guidelines and Codes are available at the Investors section of [www.ametek.com](http://www.ametek.com) as well as in printed form, free of charge to any stockholder who requests them, by writing or telephoning the Investor Relations Department, AMETEK, Inc., 1100 Cassatt Road, P.O. Box 1764, Berwyn, PA 19312-1177 (Telephone Number: 1-800-473-1286). The Board of Directors and our management do not intend to grant any waivers of the provisions of either Code. In the unlikely event a waiver for a Director or an executive officer occurs, the action will be disclosed promptly at our Web site address provided above. If the Guidelines or the Codes are amended, the revised versions also will be posted on our Web site.

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**Meetings of the Board.** Our Board of Directors has five regularly scheduled meetings each year. Special meetings are held as necessary. In addition, management and the Directors frequently communicate informally on a variety of topics, including suggestions for Board or Committee agenda items, recent developments and other matters of interest to the Directors.

The independent Directors meet in executive session at least once a year outside of the presence of any management Directors and other members of our management. The presiding Director at the executive sessions rotates annually among the chairpersons of the Corporate Governance/Nominating Committee, the Compensation Committee and the Audit Committee. The presiding Director at the executive sessions for 2012 is Mr. Klein, the chairperson of the Compensation Committee. During executive sessions, the Directors may consider such matters as they deem appropriate. Following each executive session, the results of the deliberations and any recommendations are communicated to the full Board of Directors.

Directors are expected to attend all meetings of the Board and each Committee on which they serve and are expected to attend the Annual Meeting of Stockholders. Our Board met in person a total of four times and three times by telephone in 2011. Each of the Directors attended at least 75% of the meetings of the Board and the Committees to which the Director was assigned. All of the Directors attended the 2011 Annual Meeting of Stockholders.

**Independence.** The Board of Directors has affirmatively determined that each of the current non-management Directors, Anthony J. Conti, Charles D. Klein, Steven W. Kohlhagen, James R. Malone, Elizabeth R. Varet and Dennis K. Williams, has no material relationship with us (either directly or as a partner, stockholder or officer of an organization that has a relationship with us) and, therefore, is an independent Director within the meaning of the New York Stock Exchange rules. The Board has further determined that each member of the Audit, Compensation and Corporate Governance/Nominating Committees is independent within the meaning of the New York Stock Exchange rules. The members of the Audit Committee also satisfy Securities and Exchange Commission regulatory independence requirements for audit committee members.

The Board has established the following standards to assist it in determining Director independence: A Director will not be deemed independent if: (i) within the previous three years or currently, (a) the Director has been employed by us; (b) someone in the Director's immediate family has been employed by us as an executive officer; or (c) the Director or someone in her/his immediate family has been employed as an executive officer of another entity that concurrently has or had as a member of its compensation committee of the board of directors any of our present executive officers; (ii) (a) the Director is a current partner or employee of a firm that is the Company's internal or external auditor; (b) someone in the Director's immediate family is a current partner of such a firm; (c) someone in the Director's immediate family is a current employee of such a firm and personally works on the Company's audit; or (d) the Director or someone in the Director's immediate family is a former partner or employee of such a firm and personally worked on the Company's audit within the last three years; (iii) the Director received, or someone in the Director's immediate family received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from us, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service) and, in the case of an immediate family member, other than compensation for service as our employee (other than an executive officer). The following commercial or charitable relationships will not be considered material relationships: (i) if the Director is a current employee or holder of more than ten percent of the equity of, or someone in her/his immediate family is a current executive officer or holder of more than ten percent of the equity of, another company that has made payments to, or received payments from us for property or services in an amount which, in any of the last three fiscal years of the other company, does not exceed \$1 million or two percent of the other company's consolidated gross revenues, whichever is greater, or (ii) if the Director is a current executive officer of a charitable organization, and we made charitable contributions to the charitable organization in any of the charitable organization's last three fiscal years that do not exceed \$1 million or two percent of the charitable organization's consolidated gross revenues, whichever is greater. For the purposes of these categorical standards, the terms "immediate family member" and "executive officer" have the meanings set forth in the New York Stock Exchange's corporate governance rules.

All independent Directors satisfied these categorical standards.

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**Communication with Non-Management Directors and Audit Committee.** Stockholders and other parties who wish to communicate with the non-management Directors may do so by calling 1-877-263-8357 (in the United States and Canada) or 1-610-889-5271. If you prefer to communicate in writing, address your correspondence to the Corporate Secretary Department, Attention: Non-Management Directors, AMETEK, Inc., 1100 Cassatt Road, P.O. Box 1764, Berwyn, PA 19312-1177.

You may address complaints regarding accounting, internal accounting controls or auditing matters to the Audit Committee by calling 1-866-531-3079 (Domestic English only) or 1-866-551-8006 (International Other Languages).

**Committees of the Board.** Our Board Committees include Audit, Compensation, Corporate Governance/Nominating, and Executive. The charters of the Audit, Compensation and Corporate Governance/Nominating Committees are available at the Investors section of [www.ametek.com](http://www.ametek.com) as well as in printed form, free of charge to any stockholder who requests them, by writing or telephoning the Investor Relations Department, AMETEK, Inc., 1100 Cassatt Road, P.O. Box 1764, Berwyn, PA 19312-1177 (Telephone Number: 1-800-473-1286). Each of the Audit, Compensation and Corporate Governance/Nominating Committees conducts an annual assessment to assist it in evaluating whether, among other things, it has sufficient information, resources and time to fulfill its obligations and whether it is performing its obligations effectively. Each Committee may retain advisors to assist it in carrying out its responsibilities.

*The Audit Committee* has the sole authority to retain, compensate, terminate, oversee and evaluate our independent auditors. In addition, the Audit Committee is responsible for:

review and approval in advance of all audit and lawfully permitted non-audit services performed by the independent auditors;

review and discussion with management and the independent auditors regarding the annual audited financial statements and quarterly financial statements included in our Securities and Exchange Commission filings and quarterly sales and earnings announcements;

oversight of our compliance with legal and regulatory requirements;

review of the performance of our internal audit function;

meeting separately with the independent auditors and our internal auditors as often as deemed necessary or appropriate by the Committee; and

review of major issues regarding accounting principles, financial statement presentation and the adequacy of internal controls.

The Committee met nine times during 2011. The Board of Directors has determined that Anthony J. Conti is an audit committee financial expert within the meaning of the Securities and Exchange Commission's regulations. The members of the Committee are Anthony J. Conti Chairperson, Steven W. Kohlhagen, James R. Malone and Dennis K. Williams.

*The Compensation Committee* is responsible for, among other things:

establishment and periodic review of our compensation philosophy and the adequacy of the compensation plans for our officers and other employees;

establishment of compensation arrangements and incentive goals for officers at the Corporate Vice President level and above and administration of compensation plans;

review of the performance of officers at the Corporate Vice President level and above and award of incentive compensation, exercising discretion and adjusting compensation arrangements as appropriate;

review and monitoring of management development and succession plans; and

periodic review of the compensation of non-employee Directors.

The Committee met six times during 2011. The members of the Committee are Charles D. Klein Chairperson, James R. Malone and Elizabeth R. Varet. In carrying out its duties, the Compensation Committee made compensation decisions for 39 officers as of December 31, 2011, including all executive officers. The Committee s charter

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provides that, in setting compensation for the Chief Executive Officer, the Committee will review and evaluate the Chief Executive Officer's performance and leadership, taking into account the views of other members of the Board. The charter further provides that, with the participation of the Chief Executive Officer, the Committee is to evaluate the performance of other officers and determine compensation for these officers. In this regard, Compensation Committee meetings are regularly attended by the Chief Executive Officer. The Chief Executive Officer does not participate in the determination of his own compensation. The Compensation Committee has authority under the charter to retain and set compensation for compensation consultants and other advisors that the Committee may engage. The Compensation Committee charter does not provide for delegation of the Committee's duties and responsibilities other than to one or more members of the Committee when appropriate.

Management engaged Pay Governance LLC to provide executive and Director compensation consulting services. Pay Governance provided no other services for the Company.

We ask Pay Governance to provide comparative data regarding compensation levels for seasoned managers who have job functions and responsibilities that are similar to those of our executives. Specifically, we ask Pay Governance to compare our executives' compensation to the 50<sup>th</sup> percentile of compensation for similarly positioned executives in a general industry group consisting of over 500 companies. Based on this data, our human resources department develops summaries for the Compensation Committee, indicating competitive compensation levels for our executives that would correspond to the 50<sup>th</sup> percentile, thereby assisting the Compensation Committee in its evaluation of our executives' compensation. See Compensation Discussion and Analysis 2011 Compensation Determination of Competitive Compensation for further information.

*The Corporate Governance/Nominating Committee* is responsible for, among other things:

selection of nominees for election as Directors, subject to ratification by the Board;

recommendation of a Director to serve as Chairperson of the Board;

recommendation to the Board of the responsibilities of Board Committees and each Committee's membership;

oversight of the annual evaluation of the Board and the Audit and Compensation Committees; and

review and assessment of the adequacy of our Corporate Governance Guidelines.

The Committee met five times during 2011. The members of the Committee are James R. Malone Chairperson, Charles D. Klein and Dennis K. Williams.

*The Pension Investment Committee* was originally established to supervise and monitor the investment activities of our retirement plan's assets, to review the administration of the plan, including compliance, and investment manager and trustee performance related to the plan, and to consider the results of independent audits of the plan. The Committee met two times in 2011. The Board determined that the management of the Company can itself perform the tasks of the Committee and dissolved the Committee on May 3, 2011.

*The Executive Committee* has limited powers to act on behalf of the Board whenever the Board is not in session. The Committee did not meet during 2011. The members of the Committee are Frank S. Hermance Chairperson, Charles D. Klein, Elizabeth R. Varet and Dennis K. Williams.

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**Board Leadership Structure.** We currently utilize the traditional U.S. board leadership structure, under which our Chief Executive Officer also serves as Chairman of the Board of Directors. We believe that this leadership structure is in the best interests of our Company. The CEO serves as a bridge between management and the Board, ensuring that both groups act with a common purpose. Having one person serve as both CEO and Chairman of the Board provides clear leadership for our Company, with a single person setting the tone and having primary responsibility for managing our operations. Splitting the role of CEO and Chairman of the Board would create the potential for confusion or duplication of efforts, and would weaken our Company's ability to develop and implement strategy. In contrast, we believe that our Company's current leadership structure with the combined Chairman/CEO leadership role enhances the Chairman/CEO's ability to provide insight and direction on important strategic initiatives to both management and the independent Directors.

In addition, our Board and Committee composition ensures independence and protects against too much power being placed with the Chairman and CEO. Currently, all of our Directors (other than Mr. Hermance) and each member of the Audit, Corporate Governance/Nominating and Compensation Committees meet the independence requirements of the New York Stock Exchange and our Corporate Governance Guidelines categorical standards for determining Director independence. Pursuant to our Corporate Governance Guidelines, each independent Director has the ability to raise questions directly with management and request that topics be placed on the Board agenda for discussion. Currently, independent Directors directly oversee such critical matters as the integrity of the Company's financial statements, the compensation of executive management, the selection and evaluation of Directors and the development and implementation of the Company's corporate governance policies and structures. Further, the Compensation Committee conducts an annual performance review of the Chairman and CEO and, based upon this review, approves the CEO's annual compensation, including salary, bonus, incentive and equity compensation.

We do not have a designated lead independent Director. It is our policy that independent Directors meet in executive session at least once a year outside of the presence of any management Directors or any other members of our management. The presiding Director at the executive sessions rotates among the chairpersons of the Corporate Governance/Nominating Committee, the Compensation Committee and the Audit Committee. This policy provides for leadership at all meetings or executive sessions without making it necessary to designate a lead Director who would be required to expend substantial extra time in order to perform these same duties.

**Risk Oversight.** In accordance with New York Stock Exchange rules and our Audit Committee's charter, our Audit Committee has primary responsibility for overseeing risk management for the Company. Nevertheless, our entire Board of Directors, and each other Committee of the Board, is actively involved in overseeing risk management. Our Board of Directors, and each of its Committees, regularly consider various potential risks at their meetings during discussion of the Company's operations and consideration of matters for approval. In addition, the Company has an active risk management program. A committee composed of senior executives, including the Chief Executive Officer, the Chief Financial Officer, the Comptroller and the Group Presidents, meets several times a year to review our internal risks, including those relating to our operations, strategy, financial condition, compliance and employees, and our external risks, including those relating to our markets, geographic locations, regulatory environment and economic outlook. The committee analyzes various potential risks for severity, likelihood and manageability, and develops action plans to address those risks. The committee presents its findings to the Audit Committee of the Board on a quarterly basis and to the full Board of Directors annually.

**Consideration of Director Candidates.** The Corporate Governance/Nominating Committee seeks candidates for Director positions who help create a collective membership on the Board with varied backgrounds, experience, skills, knowledge and perspective. In addition, Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon contributions that they can make to the Company. The Committee also seeks a Board that reflects diversity, including but not limited to race, gender, ethnicity, age and experience. This is implemented by the Committee when it annually considers diversity in the composition of the Board prior to recommending candidates for nomination as Directors. The Committee solicits input from Directors regarding their views on the sufficiency of Board diversity. This occurs through the annual self-assessment process. The Committee assesses the effectiveness of Board diversity by considering the various skills, experiences, knowledge, backgrounds and perspectives of the members of the Board of Directors. The Committee then considers whether the Board possesses, in its judgment, a sufficient diversity of those attributes.

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Stockholders can recommend qualified candidates for Director by writing to the Corporate Secretary, AMETEK, Inc., 1100 Cassatt Road, P.O. Box 1764, Berwyn, PA 19312-1177. Stockholder submissions must include the following information: (1) the name of the candidate and the information about the individual that would be required to be included in a proxy statement under the rules of the Securities and Exchange Commission; (2) information about the relationship between the candidate and the recommending shareholder; (3) the consent of the candidate to serve as a Director; and (4) proof of the number of shares of our Common Stock that the recommending stockholder owns and the length of time that the shares have been owned. To enable consideration of a candidate in connection with the 2013 Annual Meeting, a stockholder must submit materials relating to the recommended candidate no later than November 22, 2012. In considering any candidate proposed by a stockholder, the Corporate Governance/Nominating Committee will reach a conclusion based on the criteria described above in the same manner as for other candidates. The Corporate Governance/Nominating Committee also may seek additional information regarding the candidate. After full consideration by the Corporate Governance/Nominating Committee, the stockholder proponent will be notified of the decision of the Committee.

**Director Compensation.** Standard compensation arrangements for Directors in 2011 are described below.

**Fees** Non-employee Directors received an annual fee of \$55,000. Mr. Klein, the Chairman of the Compensation Committee, and Mr. Malone, the Chairman of the Corporate Governance/Nominating Committee, both received an annual fee of \$62,500. Mr. Kohlhagen, the Chairman of the Pension Investment Committee, which Committee was dissolved on May 3, 2011, received \$57,555 which was the pro rata portion of his annual fee. Mr. Gordon, who retired from the Board and resigned as the Chairman of the Audit Committee on May 3, 2011, received \$25,549 which was the pro rata portion of his annual fee. Mr. Steinmann, who retired from the Board on May 3, 2011, received \$18,736 which was the pro rata portion of his annual fee. Mr. Conti, who replaced Mr. Gordon as the Chairman of the Audit Committee on May 3, 2011, received \$68,242 which was the pro rata portion of his annual fee. In addition, non-employee Directors received \$3,750 for each of the four in-person meetings of the Board of Directors they attended. There were no additional fees for attendance at the Board meetings held by telephone or Committee meetings.

**Restricted Stock** On May 3, 2011, under our 2007 Omnibus Incentive Compensation Plan, each non-employee Director received a restricted stock award of 1,000 shares of our Common Stock. These restricted shares vest on the earliest to occur of:

the closing price of our Common Stock on any five consecutive trading days equaling or exceeding \$89.48,

the death or disability of the Director,

the Director's termination of service as a member of AMETEK's Board of Directors in connection with a change of control, or

the second anniversary of the date of grant, namely May 3, 2013, provided the Director has served continuously through that date.

**Restricted Stock Vestings** On April 6, 2011, the price-related event for accelerated vesting of the restricted stock granted on April 23, 2009 to Messrs. Gordon, Klein, Kohlhagen, Malone, Steinmann and Williams and Ms. Varet occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on April 6, 2011 (\$44.62), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

Also, on April 25, 2011, the 4-year cliff vesting of the restricted stock granted on April 24, 2007 to Messrs. Gordon, Klein, Kohlhagen, Malone, Steinmann and Williams and Ms. Varet occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on April 25, 2011 (\$46.18), multiplied by the number of shares acquired on vesting, minus the par value per share paid by the Director, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

**Options** On May 3, 2011, under our 2007 Omnibus Incentive Compensation Plan, each non-employee Director received an option to purchase 2,700 shares of our Common Stock, at an exercise price equal to the closing price of AMETEK's Common Stock, as reported on the New York Stock Exchange consolidated tape on that date. Stock options become exercisable as to the underlying shares in four equal annual installments beginning one year after the date of grant.



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The following table provides information regarding Director compensation in 2011, which reflects the standard compensation described above and certain other payments. The table does not include compensation for reimbursement of travel expenses related to attending Board, Committee and AMETEK business meetings, and approved educational seminars. In addition, the table does not address compensation for Mr. Hermance, which is addressed under Executive Compensation beginning on page 15. Mr. Hermance does not receive additional compensation for serving as a Director.

**DIRECTOR COMPENSATION 2011**

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation (3)	Total
					Earnings		
Anthony J. Conti	\$ 83,242	\$ 44,740	\$ 30,672		\$	\$ 432	\$ 159,086
Sheldon S. Gordon (retired on May 3, 2011)	29,299				131,600	75,114	236,013
Charles D. Klein	77,500	44,740	30,672		25,800	1,015	179,727
Steven W. Kohlhagen	72,555	44,740	30,672			1,015	148,982
James R. Malone	77,500	44,740	30,672		72,000	1,015	225,927
David P. Steinmann (retired on May 3, 2011)	22,486				105,700	75,114	203,300
Elizabeth R. Varet	70,000	44,740	30,672		64,200	1,015	210,627
Dennis K. Williams	70,000	44,740	30,672			1,015	146,427

- The amounts shown for stock awards relate to restricted shares granted under our 2007 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation - Stock Compensation*, which we refer to below as ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. At December 31, 2011, Messrs. Klein, Kohlhagen, Malone, and Williams and Ms. Varet each held 4,360 restricted shares and Mr. Conti held 2,032 restricted shares.
- The amounts shown for option awards relate to stock options granted under our 2007 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures. The assumptions used in determining the amounts in this column are set forth in Note 11 to our Consolidated Financial Statements on page 40 of Appendix A to this proxy statement. At December 31, 2011, Messrs. Klein, Kohlhagen, Malone and Williams each held options to purchase 30,907 shares of our Common Stock, Ms. Varet held options to purchase 36,757 shares of our Common Stock and Mr. Conti held options to purchase 5,871 shares of our Common Stock.
- The amounts shown for Messrs. Gordon and Steinmann include lump sum cash payments, in the amount of \$75,013 each, in recognition of their long and valued service to the Board.

Directors who first became members of the Board of Directors prior to January 1, 1997 participate in a retirement plan for Directors. Under this plan, each non-employee Director who has provided at least three years of service to us as a Director receives an annual retirement benefit equal to 100% of that Director's highest annual rate of cash compensation during the Director's service with the Board. Ms. Varet has accrued an annual retirement benefit of \$70,000. Messrs. Klein and Malone have accrued an annual retirement benefit of \$77,500.

Directors who first became members of the Board of Directors prior to July 22, 2004 participate in our Death Benefit Program for Directors. Messrs. Klein and Malone and Ms. Varet participate in this program. Under this program, each non-employee Director has an individual agreement that pays the Director (or the Director's beneficiary in the event of the Director's death) an annual amount equal to 100% of that Director's highest annual rate of cash compensation during the Director's service with the Board. The payments are made for 10 years beginning at the earlier of (a) the Director's being retired and having attained age 70 or (b) the Director's death. The program is funded by individual life insurance policies that we purchased on the lives of the Directors. In addition, non-employee Directors who first became members of the Board of Directors prior to July 27, 2005 have a group term life insurance benefit of \$50,000. We retain the right to terminate any of the individual agreements under certain circumstances.



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Directors, on or after June 1, 2011, are able to participate in a deferred compensation plan for Directors. Under this plan, a Director may defer payment of his or her fees. In advance of the year in which the fees will be paid, a Director may elect to defer all or part of his or her fees into a notional investment in our Common Stock, in an interest-bearing account, or in both. A Director generally may elect to have the value of his or her account distributed following retirement, either in a lump sum or in up to five annual installments, or in the form of an in-service distribution, payable either in a lump sum or in up to five annual installments commencing on a date specified by the Director in his or her distribution election. Payments may commence sooner upon the Director's earlier separation from service, upon the death of the Director, in the event of an unforeseeable financial emergency or upon a change of control. Payments from the notional Common Stock fund are made in shares of our Common Stock, while payments from the interest-bearing account are paid in cash.

**Mandatory Retirement.** The retirement policy for our Board of Directors prohibits a Director from standing for re-election following his or her 75<sup>th</sup> birthday.

**Certain Relationships and Related Transactions.** Mr. Hermance's son is employed by us in a non-executive officer capacity as a Divisional Vice President and received total compensation, as such amount is calculated for the named executive officers in the Summary Compensation Table on page 23, of approximately \$400,000 in 2011.

Under our written related party transactions policy, transactions that would require disclosure under SEC regulations must be approved in advance by the Audit Committee. Applicable SEC regulations generally require disclosure of all transactions since the beginning of a corporation's last fiscal year, or any currently proposed transaction, exceeding \$120,000 in which the corporation or any of its subsidiaries is participating and in which any of the following related persons had, or will have, a direct or indirect material interest: (1) any of the corporation's directors, director nominees, or executive officers, (2) any beneficial owner of more than 5% of the corporation's common stock and (3) any member of the immediate family of any of the foregoing persons. The term immediate family includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other than a tenant or employee) sharing the same household as the person.

Prior to entering into a transaction covered by the policy, the person proposing to enter into the transaction must provide a notice to our Vice President - Corporate Compliance and Auditing, who must promptly forward the notice to the Chairman of the Audit Committee. Following such inquiry as the Audit Committee deems appropriate, the transaction is permissible if the Audit Committee finds that, notwithstanding the involvement of a related person, there is an appropriate b