

DOVER CORP
Form DEF 14A
March 18, 2008

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

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

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
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Only (as permitted by
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Definitive Proxy
Statement

Definitive Additional
Materials

Soliciting Material
Pursuant to
Section 240.14a-11(c)
or Section 240.14a-2.

Dover Corporation

(Name of Registrant as Specified In Its Charter)

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

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Notice Of Annual Meeting Of Shareholders

March 18, 2008

Dear Dover Shareholder:

You are cordially invited to attend our Annual Meeting of Shareholders at Bertram Inn and Conference Center, 600 North Aurora Road, Aurora, Ohio 44202, on May 1, 2008, at 1:00 P.M., to be held for the following purposes:

1. To elect twelve directors;
2. To re-approve the Executive Officer Annual Incentive Plan and the performance goals set forth therein to satisfy certain Internal Revenue Code requirements;
3. To act upon a shareholder proposal regarding a sustainability report;
4. To act upon a shareholder proposal regarding a climate change report; and
5. To transact such other business as may properly come before the meeting.

All holders of record at the close of business on March 3, 2008 are entitled to vote at the meeting or any adjournments thereof. **We urge you to vote your shares as soon as possible. The enclosed proxy card contains instructions for voting your shares.**

By authority of the board of directors,

Joseph W. Schmidt
Secretary

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DOVER CORPORATION
www.dovercorporation.com

PROXY STATEMENT

GENERAL INFORMATION ABOUT THE ANNUAL MEETING

This proxy statement is being sent by Dover Corporation, whose principal executive offices are at 280 Park Avenue, New York, NY 10017, to its shareholders in connection with the board of directors' solicitation of proxies to be voted at the 2008 Annual Meeting of Shareholders (the Meeting).

As of the close of business on March 3, 2008, the record date for determining shareholders eligible to vote at the Meeting, the company had outstanding 191,722,192 shares of common stock. Each share of common stock is entitled to one vote on all matters.

Dover is mailing this Proxy Statement, a proxy card and Dover's Annual Report (including its 2007 Annual Report on Form 10-K) to shareholders beginning on March 18, 2008. Exhibits to the company's 2007 Annual Report on Form 10-K can be accessed on Dover's website at www.dovercorporation.com. We will also furnish any exhibit to any shareholder upon written request and payment of a reasonable fee to cover the expense of providing the exhibit. Requests for exhibits should be directed to the Corporate Secretary at Dover Corporation, 280 Park Avenue, New York, New York 10017.

The shares covered by your proxy will be voted in accordance with your voting instructions. If you sign and return your proxy card but do not provide voting instructions, the shares covered by your proxy will be voted as follows:

for the election of the twelve nominees for director;

for re-approval of the Executive Officer Annual Incentive Plan (the bonus incentive plan) and its performance goals;

against the shareholder proposal for a sustainability report; and

against the shareholder proposal for a climate change report.

The proxy also grants discretionary authority to the persons named as proxies in connection with other matters that may properly come before the Meeting if and to the extent allowed by the rules under the Securities Exchange Act of 1934, as amended, and any other applicable rules and regulations.

We will pay the reasonable and actual costs of printing, mailing and soliciting proxies, but we will not pay a fee to any officer or employee of Dover or its subsidiaries as compensation for soliciting proxies. We have retained Morrow & Co. to solicit brokerage houses and other custodians, nominees or fiduciaries and to send proxies and proxy material to the beneficial owners of such shares, for a fee of \$7,500 plus expenses.

For purposes of the Meeting, there will be a quorum if the holders of a majority of the outstanding shares of common stock are present in person or by proxy. Abstentions and broker non-votes will be included in determining whether a quorum exists. A majority of the votes cast at the Meeting is required to elect directors. This means that the number of votes cast FOR a director must exceed the number of votes cast AGAINST that director in order for that director to be

elected. Abstentions and broker non-votes will not count as a vote cast with respect to that director and will have no effect on the outcome of the vote. Proposals 2, 3 and 4 and any other matter to properly come before the Meeting will require the affirmative vote of a majority of shares present in person or by proxy and entitled to vote at the Meeting. For Proposals 2, 3 and 4 and any other matter, abstentions and broker non-votes will have the same effect as a vote against the proposal. You may not cumulate your votes.

You may vote by telephone, on the internet or by mail. Votes submitted by any of those methods will be treated in the same manner. If you are a shareholder of record, you may vote your shares by signing and returning the enclosed proxy card, by telephone at 1-866-540-5760 or on the internet at <http://www.proxyvoting.com/dov>. If you hold your shares in street name through a broker or other nominee, you must follow the instructions provided by your broker or nominee to vote your shares. If you are a shareholder of record, whether you give your proxy by mail, by telephone or on the internet, you may revoke it at any time before it is exercised, by giving written notice to the Corporate Secretary of Dover at the address referred to above or by attending the Meeting and requesting in writing the cancellation of your proxy.

**Important Notice Regarding Availability of Proxy Materials
for the 2008 Annual Meeting of Shareholders to be Held on May 1, 2008**

**This Proxy Statement and the Annual Report to Shareholders are available at
<http://bnymellon.mobular.net/bnymellon/dov>.**

ITEMS TO BE VOTED UPON

Proposal 1 Election of Directors

The persons named as proxies will vote the shares covered by your proxy for the election of the twelve nominees listed below unless you direct otherwise in your proxy, in which case the shares will be voted as you direct. You may vote only for the nominees listed below. If any such nominee for election is not for any reason a candidate for election at the Meeting, an event which your company does not anticipate, the proxies will be voted for a substitute nominee or nominees as may be designated by your board of directors and for the others named below. Directors will be elected by a majority of the votes cast for and against them. All of the nominees for director for election at the Meeting currently serve on the board and are being proposed by the board. Each director elected at the Meeting will serve until the election and qualification of his or her successor.

Name and Age	Business Experience for Past Five Years, Positions with Dover, and other Directorships	Year First Became Director
David H. Benson 70	Senior Advisor, Fleming Family & Partners (since September 2001; investment management company); Director of Murray International Investment Trust, F. F. and P. Alternative Strategies Income Fund and F.F. and P. Managed Portfolio Funds (investment management companies); formerly Vice Chairman of The Kleinwort Benson Group plc (financial services company), Chairman of The COIF Charities Fund (investment and cash management for charities), Director of BG Group plc (gas exploration and production) and The Rouse Company (real estate development).	1995
Robert W. Cremin 67	Chairman (since 2001), President (since 1997) and Chief Executive Officer (since 1999), Esterline Technologies Corporation (manufacturer of aerospace and defense products); Director of British-American Business Council of the Pacific Northwest; British Honorary Consul in Seattle.	2005

Name and Age	Business Experience for Past Five Years, Positions with Dover, and other Directorships	Year First Became Director
Thomas J. Derosa 50	Vice Chairman and Chief Financial Officer (until November 2004) of The Rouse Company (real estate development); Global Co-Head, Health Care Investment Banking Group, Deutsche Bank AG (from 1999 to 2002); Managing Director, Alex. Brown & Sons, Bankers Trust (from 1997 to 1999); Director of Health Care REIT, Inc. (REIT with investments in health care facilities) (since 2004); Director of Value Retail PLC (luxury outlet shopping development) (since July 2005).	2007
Jean-Pierre M. Ergas 68	Chairman of the Board (since January 2000), Chief Executive Officer (2000-2007) and Director (since 1995), BWAY Corporation (steel and plastic container manufacturer); Director of Plastic Omnium (manufacturer of automotive components and plastic products).	1994
Peter T. Francis 55	Chairman of the Board of Directors (since 1993) and President and Chief Executive Officer (since 1994) of J. M. Huber Corporation (privately held diversified company focused on engineered materials, natural resources and technology-based services).	2007
Kristiane C. Graham 50	Private Investor.	1999
Ronald L. Hoffman 59	Chief Executive Officer (since January 2005), President (since July 2003) and Chief Operating Officer (from July 2003 to December 2004) of Dover; President and Chief Executive Officer of Dover Resources, Inc. (from January 2002 to July 2003); Executive Vice President of Dover Resources, Inc. (from May 2000 to January 2002).	2003
James L. Koley 77	Lead Director of Dover (since March 7, 2008); Director (until April 2006) and Chairman (until February 2002) of Art s-Way Manufacturing Co., Inc. (agricultural manufacturer).	1989
Richard K. Lochridge 64	President, Lochridge & Company, Inc. (management consulting firm); Director of The Lowe s Company, Inc. (home improvement retailer) and PETsMART (pet supplies retailer).	1999
Bernard G. Rethore 66	Chairman of the Board Emeritus, Flowserve Corporation (fluid transfer and control equipment and services); previously Chairman (from July 1997 to April 2000), Chief Executive Officer (from July 1997 to December 1999) and President (from October 1998 to July 1999), Flowserve Corporation; Director of Mueller Water Products, Inc. (fire hydrants, valves and ductile iron pipes), Belden, Inc. (specialty wires and cables) and Walter Industries, Inc. (homebuilding, financing, carbon and natural resources).	2001
Michael B. Stubbs 59	Private Investor; Director of Moore-Handley, Inc. (wholesale hardware distributor).	1999

Name and Age	Business Experience for Past Five Years, Positions with Dover, and other Directorships	Year First Became Director
Mary A. Winston 46	President, Winsco Financial LLC (financial and strategic consulting firm); previously Executive Vice President and Chief Financial Officer (from February 2004 to January 2007), Scholastic Corporation (children's publishing and media company); Vice President (first VP-Treasurer and then VP-Controller), Visteon Corporation (from January 2002 to February 2004; automotive parts supplier); Vice President (various finance positions), Pfizer, Inc. (from 1995 to 2002; manufacturer of pharmaceuticals).	2005

Thomas L. Reece, after more than 40 years of service to the company, the last three as non-executive Chairman, has decided that it is time for him to fully retire and will not stand for re-election. The board of directors has elected James L. Koley as Lead Director and it is anticipated that Mr. Koley will be elected Chairman of the Board at the board's May 2008 meeting, when Mr. Reece's term expires.

Board of Directors and Committees

The board of directors held four meetings during 2007. The board has three standing committees – the audit committee, the compensation committee and the governance and nominating committee. Each of these committees has a written charter which is available on the company's website at <http://www.dovercorporation.com>. In 2007, each director attended at least 75% of the meetings of the board of directors and the standing committees of which he or she was a member.

Audit Committee. The audit committee is currently composed of five directors. All of its members satisfy all the criteria for being independent members of the board and the audit committee established by the SEC and the New York Stock Exchange Listing Standards (NYSE Listing Standards) and also Dover's standards for classification as an independent director (the Dover Independence Standards) which are available on the company's website at <http://www.dovercorporation.com>. In addition, the board of directors has determined that all members of the audit committee qualify as audit committee financial experts as defined in SEC rules. The primary functions of the audit committee consist of:

selecting and engaging Dover's independent auditors; overseeing the work of Dover's independent auditors and its director of internal audit;

approving in advance all services to be provided by, and all fees to be paid to, Dover's auditors, who report directly to the committee;

reviewing with management and the auditors the audit plan and results of the auditing engagement; and

reviewing with management and Dover's auditors the quality and adequacy of Dover's internal accounting controls.

The audit committee's responsibilities, authority and resources are described in greater detail in its written charter. In 2007, the audit committee held eight meetings. The members of the audit committee are Michael B. Stubbs (Chair),

Thomas J. Derosa, James L. Koley, Bernard G. Rethore and Mary A. Winston. The audit committee's report begins on page 19.

Compensation Committee. The compensation committee is composed of five directors. All of its members satisfy all the criteria for being independent members of the board established in the NYSE Listing Standards and the Dover Independence Standards. The compensation committee,

together with the other independent directors, approves compensation for the chief executive officer. The compensation committee also:

- approves compensation for executive officers who report directly to the CEO (together with the CEO, senior executive officers);
- grants awards and approves payouts under Dover s equity and cash performance incentive plans;
- approves changes to the compensation plans; and
- supervises the administration of the compensation plans.

The compensation committee s responsibilities, authority and resources are described in greater detail in its written charter. In 2007, the compensation committee held three meetings. The members of the compensation committee are Richard K. Lochridge (Chair), Robert W. Cremin, Jean-Pierre M. Ergas, Peter T. Francis and Kristiane C. Graham. The compensation committee s report appears on page 30.

Governance and Nominating Committee. The governance and nominating committee is composed of four directors. All of its members satisfy all the criteria for being independent members of the board established in the NYSE Listing Standards and the Dover Independence Standards. The governance and nominating committee develops and recommends to the board corporate governance principles for Dover. In addition, the governance and nominating committee identifies and recommends to the board candidates for election as directors and any changes it believes desirable in the size and composition of the board. It also makes recommendations to the board concerning the structure and membership of the board s committees. The governance and nominating committee s responsibilities, authority and resources are described in greater detail in its written charter. The governance and nominating committee held four regular meetings and one special meeting in 2007. The members of the governance and nominating committee are James L. Koley (Chair), David H. Benson, Robert W. Cremin and Kristiane C. Graham.

Dover has adopted a new policy regarding director attendance at shareholder meetings. In the past, we did not require directors to attend the annual meeting of shareholders and directors generally have not, and in 2007 did not, attend the annual meeting. Beginning this year, it is expected that directors will attend the annual shareholders meeting.

Corporate Governance

Dover is committed to conducting its business in accordance with the highest level of ethical and corporate governance standards. The following describes some of the actions taken to help ensure that our conduct earns the respect and trust of shareholders, customers, business partners, employees and the communities in which we live and work.

Governance Guidelines and Codes. Your board of directors has adopted written corporate governance guidelines that set forth the responsibilities of the board and the qualifications and independence of its members and the members of its standing committees. In addition, your board has adopted a code of business conduct and ethics setting forth standards applicable to all Dover companies and their employees, a code of ethics for the chief executive officer and senior financial officers, and charters for each of its standing committees. All of these documents (referred to collectively as governance materials) are available on the company s website at <http://www.dovercorporation.com> and in print to any shareholder who requests them. Requests should be directed to the Corporate Secretary at Dover Corporation, 280 Park Avenue, New York, NY 10017. Each of the company s segments and operating companies has a written code of conduct that meets or exceeds the standards of Dover s code of business conduct and ethics.

Recent Governance Initiatives. Your board periodically reviews and revises the governance materials and takes other actions to address changes in regulatory requirements, developments in governance best practices and matters raised by shareholders. The following are governance initiatives taken during the past eighteen months:

Majority Election of Directors. Your board amended Dover's by-laws and corporate governance guidelines to change the voting standard in director elections from a plurality to a majority of the votes cast. Under the majority standard, a director must receive more votes in favor of his or her election than votes against his or her election. Abstentions and broker non-votes will not count as votes cast with respect to a director's election. In contested director elections (where there are more nominees than available seats on the board), the plurality standard will continue to apply.

Resignation if not Re-elected. For an incumbent director to be nominated for re-election, he or she must submit an irrevocable, contingent resignation letter. The resignation will be contingent on the nominee not receiving a majority of the votes cast in an uncontested election and on the board's acceptance of the resignation. If an incumbent director fails to receive a majority of the votes cast in an uncontested election, the governance and nominating committee will make a recommendation to the board concerning the resignation. The board will act on the resignation within ninety days following certification of the election results, taking into account the committee's recommendation. It will publicly announce its decision and, if the resignation is rejected, the rationale for its decision.

Related Person Transactions. Your board adopted a written policy and procedures for handling any related person transactions. The governance and nominating committee is responsible for reviewing and approving, rejecting or ratifying any such transaction in accordance with the procedures described in greater detail on page 8.

Director Stock Ownership. Your board adopted a policy that directors are expected to hold at any time an amount of shares at least equal to the aggregate number of shares they received as the stock portion of their annual retainer during the past five years, net of an assumed 30% withholding tax.

Shareholder Rights Plan Expiration. Your board elected not to renew Dover's shareholder rights plan upon its expiration in November 2006.

Director Independence. The board has determined that at least two-thirds of its members and all of the members of its audit, compensation and governance and nominating committees shall be independent from management and shall meet all of the applicable criteria for independence established by the NYSE, the SEC and Dover. Currently, eleven of thirteen Dover directors meet all of these standards for independence. The board makes an annual determination of the independence of each nominee for director prior to his or her nomination for (re)election. No director may be deemed independent unless the board determines that he or she has no material relationship with Dover, directly or as an officer, shareholder or partner of an organization that has a material relationship with Dover.

The board has determined that each of the current members of the board, except for Thomas L. Reece, who was formerly a management representative, and Ronald L. Hoffman, who is the current management representative on the board, has no relationship with the company and meets the independence requirements in the NYSE Listing Standards and the independence requirements of the SEC. In addition, all members of the board, except for Messrs. Reece and Hoffman, meet the Dover Independence Standards, which are available on the company's website. Mr. Reece is not standing for re-election.

Directors Meetings; Self-evaluations. In accordance with the NYSE Listing Standards, in addition to full meetings, Dover's non-management directors and its independent directors meet at

regularly scheduled executive sessions without management representatives. Mr. Koley, as the chair of the governance and nominating committee, has presided and as Lead Director will preside at these sessions. The board and its committees conduct annual self-evaluations of their performance. Many non-management directors periodically attend the board and company presidents' meetings of the segments. At least one non-management director serves as an advisory (non-voting) director of each of the four segments, and at least one non-management director usually attends the segments' regular board and company presidents' meetings.

Audit Committee Procedures; Disclosure Controls and Procedures Committee. The audit committee holds regular quarterly meetings at which it meets with each of the auditors, the director of internal audit and management separately to assess the effectiveness of the independent audit process and management's assessment of internal controls effectiveness. In addition, the audit committee as a whole reviews and meets to discuss the contents of each Form 10-Q and Form 10-K (including the financial statements) prior to its filing with the SEC. Management's disclosure controls and procedures committee, which includes among its members the chief financial officer, the controller, the director of internal audit and the general counsel of Dover, as well as the chief financial officers of Dover's segments, meets at least quarterly to review the company's earnings release and its quarterly or annual report, as the case may be, for the prior quarter and Dover's disclosure controls and procedures. The Chairman of the Audit Committee or his designee participates in these meetings.

Complaints Hotline ; Communication with Directors. In accordance with the Sarbanes-Oxley Act of 2002 (the Sarbox Act), the audit committee has established procedures for (i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters (accounting matters), and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting matters. Such complaints or concerns may be submitted to the company, care of the Corporate Secretary, or through the communications coordinator, an external service provider, by mail, fax, telephone or via the internet as published on the company's website. The communications coordinator forwards such communications to the chair of the audit committee and, in most circumstances, to Dover's General Counsel, in each case without disclosing the identity of the sender if anonymity is requested. Shareholders and other interested persons may also communicate with the board and the non-management directors in any of these same manners. Such communications are forwarded to the chair of the governance and nominating committee and Dover's General Counsel.

Qualifications and Nominations of Directors

The governance and nominating committee considers and recommends to the board of directors nominees for election to, or for filling any vacancy on, the board in accordance with Dover's by-laws and the committee's charter. The committee annually reviews the requisite skills and characteristics of board members as well as the size, composition, functioning and needs of the board as a whole. To be considered for board membership, a nominee for director must be an individual who has the highest personal and professional integrity, who has demonstrated exceptional ability and judgment, and who will be most effective, in conjunction with the other nominees to the board, in collectively serving the long-term interests of our shareholders. The committee also considers members' qualifications as independent (the board requires that at least two-thirds of its members be independent), the financial literacy of members of the audit committee, the qualification of audit committee members as audit committee financial experts , and the diversity, skills, background and experiences of board members in the context of the needs of the board.

The governance and nominating committee may also consider such other factors as it may deem to be in the best interests of the company and its shareholders. Your board believes it appropriate and important that at least one key member of the company's management participate as a member of the board. In appropriate circumstances, this number may be increased to two.

Whenever the committee concludes, based on the reviews or considerations described above or due to a vacancy, that a new nominee to the board is required or advisable, it will consider recommendations from directors, management, shareholders and, if it deems appropriate, consultants retained for that purpose. In such circumstances, it will evaluate individuals recommended by shareholders in the same manner as nominees recommended from other sources. Shareholders who wish to recommend an individual for nomination should send that person's name and supporting information to the committee, care of the Corporate Secretary or through Dover's communications coordinator. Shareholders who wish to directly nominate an individual for election as a director, without going through the governance and nominating committee or using Dover's proxy material, must comply with the procedures in Dover's by-laws.

Compensation Committee Procedures

Under its charter, the compensation committee is required to meet at least annually. In practice, the compensation committee typically meets three or four times annually to review regulatory developments that may impact Dover's compensation arrangements and employee benefit plans, to consider amendments to compensation and benefit plans and to perform various administrative tasks of the committee, including its annual self-evaluation.

The compensation committee annually reviews the performance of the company's chief executive officer and recommends his compensation for review and revision or approval by Dover's independent directors acting as a group. The compensation of the executive officers who report directly to the chief executive officer is recommended by the chief executive officer to the committee, which reviews and revises or approves the recommendations as the committee deems appropriate. In making its executive compensation decisions, the committee utilizes tally sheets prepared by its benefits consultant, detailing all compensation payable to each senior executive officer, including potential post-termination benefits.

The compensation committee has the authority and discretion to retain external compensation consultants as it deems appropriate. The compensation committee has retained Mercer to serve as its compensation consultant to provide information and analyses regarding executive compensation. The Mercer consultant who performs these services reports directly to the committee chair. The compensation committee generally does not ask its consultants to develop recommendations for the compensation of individual executive officers. Rather, the compensation committee looks to its consultant to periodically review and advise regarding the adequacy and appropriateness of the company's overall executive compensation plans, programs and practices and, from time to time, to answer specific questions raised by the committee or management. Compensation decisions are made by, and are the responsibility of, the compensation committee and your board, and may reflect factors and considerations other than the information and recommendations provided by the committee's consultants. The compensation committee's compensation consultant performs substantially no other services for Dover.

Procedures for Approval of Related Person Transactions

The company generally does not engage in transactions in which its senior executive officers or directors, any of their immediate family members or any of its 5% shareholders have a material interest. Should a proposed transaction or series of similar transactions involve any such persons and an amount that exceeds \$120,000, it would be subject to review and approval by the governance and nominating committee in accordance with a written policy and the following procedures adopted by the board:

Management is responsible for determining whether a proposed transaction requires review under the policy and, if so, will present such transaction to the governance and nominating committee;

The governance and nominating committee will review the relevant facts and circumstances of the transaction, including the amount involved; the related person involved and his or her relationship to the company and interest and role in the transaction; the benefits to the company of the transaction; whether the company has available to it alternative means or transactions to reap such benefits; the terms of the transaction, whether they are fair to the company and whether they are comparable to the terms that would exist in a similar transaction with an unaffiliated third party; and any other factors that the committee deems relevant;

If it is impractical or undesirable to defer consummation of a related person transaction until the committee meets to review and approve the transaction, the chair of the committee will decide whether to approve the transaction and will report the transaction to the committee at its next meeting;

No director may participate in the review of any transaction in which he or she is a related person;

If a proposed transaction involves the chief executive officer or enough members of the committee such that the committee cannot have a quorum to approve or reject the transaction, the disinterested members of the committee will review the transaction and make a recommendation to the board and the board will approve or reject the transaction.

The written policy and procedures adopted by the board for related person transactions is available with the governance materials on Dover's website. There were no related party transactions in or since 2007.

Directors Compensation

Under Dover's 1996 Non-Employee Directors' Stock Compensation Plan (the directors' plan), non-employee directors receive annual compensation in an amount the board sets from time to time. The directors' annual compensation is payable partly in cash and partly in common stock in an allocation the board may adjust from time to time. The stock portion is paid as of November 15 of each year. If any director serves for less than a full calendar year, the compensation to be paid to that director for the year will be pro-rated as deemed appropriate by the compensation committee.

Annual compensation for 2007 under the directors' plan was \$140,000, payable 40% in cash and 60% in common stock, and was paid by \$56,000 in cash and 1,798 shares of common stock. The number of shares granted to any director is determined by dividing the dollar amount of the director's annual compensation to be paid in shares by the fair market value of a share on the date of grant. The board has selected November 15 of each year as the date for stock compensation to directors. Fair market value is determined in good faith by the compensation committee on the basis of considerations the committee deems appropriate, including, for example, the closing price on the date of grant and the average of the high and low sales prices on the date of grant.

The chair of the audit committee receives an annual cash retainer of \$15,000 and the chairs of the compensation committee and the governance and nominating committee each receive an annual cash retainer of \$7,500. In 2007, the chairman of the board received an annual retainer of \$80,000, paid 60% in stock and 40% in cash. Directors receive an annual cash retainer of \$15,000 if they serve as advisory directors on a segment board plus an additional annual cash retainer of \$10,000 if they serve on the board of two or more segments. No meeting fees are paid to directors for attending Dover or segment meetings.

Effective January 1, 2007, Dover's corporate governance guidelines include a policy that directors are expected to hold at any time at least the aggregate number of shares they were entitled to receive as the stock portion of their annual

retainer during the previous five years, net of an assumed 30% withholding tax.

The table below sets forth the compensation your company paid to its nominees for directors (other than Mr. Hoffman) for services in 2007.

Name	Fees Earned or Paid in cash (\$)(1)	Stock Awards (\$)(2)	All Other Compensation (\$)(3)	Total(\$)
David H. Benson	56,000	84,000	15,000	155,000
Robert W. Cremin	56,000	84,000	0	140,000
Thomas J. Derosa	23,333	35,000	0	58,333
Jean-Pierre M. Ergas	56,000	84,000	15,000	155,000
Peter T. Francis	23,333	35,000	0	58,333
Kristiane C. Graham	56,000	84,000	15,000	155,000
James L. Koley	63,500	84,000	20,000	167,500
Richard K. Lochridge	63,500	84,000	0	147,500
Thomas L. Reece	88,000	132,000	32,791	252,791
Bernard G. Rethore	56,000	84,000	15,000	155,000
Michael B. Stubbs	71,000	84,000	20,000	175,000
Mary A. Winston	56,000	84,000	4,375	144,375

- (1) Amounts include the annual cash retainer (pro-rated for partial-year service for Messrs. Derosa and Francis) and the annual retainer for committee chairmanships. Mr. Ronald L. Hoffman does not appear on this table because he is a management director and does not receive any additional compensation for his service as a director. For discussion of Mr. Hoffman's compensation for his services as President and Chief Executive Officer, see Compensation Discussion and Analysis - Compensation of the Chief Executive Officer and Executive Compensation Summary Compensation Table.
- (2) Amounts represent the value on November 15, 2007 of the stock awards granted to non-management directors for the year 2007 under the directors' plan, pro-rated for partial year service.
- (3) For the directors other than Mr. Reece, these amounts represent the annual retainer for segment board service, pro-rated for partial year service. For Mr. Reece, this amount represents reimbursement of COBRA medical payments (including tax gross up) in 2007 in accordance with his retirement arrangement.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership, as of March 3, 2008 (except as otherwise stated), of our common stock by:

each director, each of the named executive officers;

all of the directors and senior executive officers as a group; and

each person known to own beneficially more than 5% of our outstanding common stock.

The beneficial ownership set forth in the table is determined in accordance with the rules of the SEC. The percentage of beneficial ownership is based on 191,722,192 shares of common stock outstanding on March 3, 2008. In computing the number of shares beneficially owned by any shareholder and the percentage ownership of such shareholder, shares

of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the record date are deemed to have been exercised and to be outstanding. Such shares, however, are not deemed to have been issued and to be outstanding for purposes of computing the percentage ownership of any other person. Share amounts held in the Dover Corporation Retirement Savings Plan (the 401(k) plan) are also reported as of March 3, 2008.

Unless otherwise indicated in the footnotes below, the persons and entities named in the table have sole voting and investment power as to all shares beneficially owned. Unless otherwise indicated, the business address for all directors and senior executive officers is c/o Dover Corporation, 280 Park Avenue, New York, NY 10017.

Name of beneficial owner	Number of shares	Percentage
David H. Benson	23,245(1)	*
Ralph Coppola	147,815(2)	*
Robert W. Cremin	6,026	*
Thomas J. Derosa	524	*
Jean-Pierre M. Ergas	30,516	*
Peter T. Francis	19,149	*
Kristiane C. Graham	955,107(3)	*
Ronald L. Hoffman	444,943(4)	*
James L. Koley	25,216(5)	*
Robert G. Kuhbach	368,051(6)	*
Richard K. Lochridge	15,666(7)	*
Thomas L. Reece	1,084,376(8)	*
Bernard G. Rethore	9,909	*
David J. Ropp	171,483(9)	*
Timothy J. Sandker	154,359(10)	*
Michael B. Stubbs	110,647(11)	*
Mary A. Winston	4,040	*
Directors and senior executive officers as a group	4,679,690(12)	2.4
GE Asset Management Incorporated		
3001 Summer Street		
Stamford, Connecticut 06904	10,424,459(13)	5.4
JP Morgan Chase & Co.		
270 Park Avenue		
New York, NY 10017	10,749,378(14)	5.6

* Less than one percent.