

ITT CORP
Form DEF 14A
March 27, 2009

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**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.1)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

ITT Corporation
(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.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (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):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

- o Fee paid previously with preliminary materials.
 - o 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.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

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March 27, 2009

Steven R. Loranger
Chairman, President and Chief Executive Officer

ITT Corporation

1133 Westchester
Avenue
White Plains, NY
10604-3543

Dear Fellow Shareholders:

Enclosed are the Notice of Annual Meeting and Proxy Statement for ITT's 2009 Annual Meeting of Shareholders. This year's meeting is intended to address only the business included on the agenda. Details of the business to be conducted at the Annual Meeting are given in the accompanying Notice of Annual Meeting and Proxy Statement, which provides information as required by applicable laws and regulations.

Your vote is important and we encourage you to vote whether you are a registered owner or a beneficial owner.

This year, in accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to shareholders. Because we are using the Internet, most shareholders will not receive paper copies of our proxy materials. We will instead send these shareholders a notice with instructions for accessing the proxy materials and voting via the Internet. This notice also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose. We believe use of the Internet will make the proxy distribution process more efficient, less costly and help in conserving natural resources.

If you are the registered owner of ITT common stock, you may vote your shares by making a toll-free telephone call or using the Internet. Details of these voting options are explained in the Proxy Statement. If you choose to receive paper copies of our proxy materials, you can vote by completing and returning the enclosed proxy card by mail as soon as possible.

If you are a beneficial owner and someone else, such as your bank or broker, is the owner of record, the owner of record will communicate with you about how to vote your shares.

Whether or not you plan to attend the Annual Meeting, please vote as soon as possible. If you do not vote in person at the Annual Meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. Voting by any of these methods will ensure your representation at the Annual Meeting. Your vote is important.

Sincerely,

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March 27, 2009

NOTICE OF 2009 Annual Meeting

- Time:** 10:30 a.m. Eastern Time, on Tuesday, May 12, 2009.
- Place:** 1133 Westchester Avenue, White Plains, NY 10604-3543
- Items of Business:**
1. Election of ten members of the Board of Directors
 2. Ratification of the appointment of Deloitte & Touche LLP as ITT's Independent Registered Public Accounting Firm for 2009
 3. Such other business, including a shareholder proposal, if properly presented at the meeting
- Who May Vote:** You can vote if you were a shareholder at the close of business on March 16, 2009, the record date.
- Annual Report to Shareholders and Annual Report on Form 10-K:** Copies of our 2008 Annual Report on Form 10-K and Annual Report to Shareholders are provided to shareholders.
- Mailing Date:** Beginning March 27, 2009, this Notice and the 2009 Proxy Statement are being distributed to shareholders of record on March 16, 2009.
- About Proxy Voting:** Your vote is important. Proxy voting permits shareholders unable to attend the Annual Meeting to vote their shares through a proxy. Most shareholders are unable to attend the Annual Meeting. By appointing a proxy, your shares will be represented and voted in accordance with your instructions. If you do not provide instructions on how to vote, the proxies will vote as recommended by the Board of Directors. You can vote your shares by completing and returning your proxy card. Most shareholders can also vote shares by following the Internet or telephone voting instructions provided on the proxy card. You can change your voting instructions or revoke your proxy at any time prior to the Annual Meeting by following the instructions on pages 1 to 4 of this proxy and on the proxy card.

INTERNET AVAILABILITY OF PROXY MATERIALS

This year, in accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to shareholders. Because we are using the Internet, most shareholders will not receive paper copies of our proxy materials. We will instead send these shareholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report,

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and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on Tuesday, May 12, 2009 at 10:30 a.m. at 1133 Westchester Avenue, White Plains, NY 10604-3543. The Company's 2009 Proxy Statement, 2008 Annual Report on Form 10-K and Annual Report to Shareholders will be available online at <https://www.proxydocs.com/itt>

By order of the Board of Directors,

Kathleen S. Stolar
Vice President and Secretary

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2009 Proxy Statement

Why did I receive these proxy materials? Beginning March 27, 2009, this Proxy Statement is being provided to shareholders who were shareholders as of the March 16, 2009 record date, as part of the Board of Directors solicitation of proxies for ITT's 2009 Annual Meeting and any postponements or adjournments thereof. This Proxy Statement and ITT's 2008 Annual Report to Shareholders and Annual Report on Form 10-K (which have been furnished to shareholders eligible to vote at the 2009 Annual Meeting) contains information that the Board of Directors believes offers an informed view of the Company and meets the regulations of the Securities and Exchange Commission (the "SEC") for proxy solicitations.

Who is entitled to vote? You can vote if you owned shares of the Company's common stock as of the March 16, 2009 record date.

What items of business will I be voting on? You are voting on the following items of business, which are described on pages 7 to 15:

1. Election of ten members of the Board of Directors
2. Ratification of the appointment of Deloitte & Touche LLP as ITT's Independent Registered Public Accounting Firm for 2009
3. Such other matters, including a shareholder proposal, if properly presented at the meeting

Information about Voting

How do I vote? You can either vote in person at the Annual Meeting or by proxy whether or not you attend the Annual Meeting.

What are the proxy voting procedures? If you vote by proxy, you can vote by following the voting procedures on the proxy card. You may vote:

By the Internet,

By Telephone, if you call from the United States, or

By Mail.

Why does the Board solicit proxies from shareholders? Since it is impractical for all shareholders to attend the Annual Meeting and vote in person, the Board of Directors recommends that you appoint the three people named on the accompanying proxy card to act as your proxies at the 2009 Annual Meeting.

How do the proxies vote? The proxies vote your shares in accordance with your voting instructions. If you appoint the proxies but do not provide voting instructions, they will vote as recommended by the Board of Directors. If any other matters not described in this Proxy Statement are properly brought before the meeting for a vote, the proxies will use their discretion in deciding how to vote on those matters.

How many votes do I have? You have one vote for every share of ITT common stock that you own.

What if I change my mind? You can revoke your proxy at any time before it is exercised by mailing a new proxy card with a later date or casting a new vote by the Internet or telephone. You can also send a written revocation to the Secretary at the address listed on the first page of the Proxy Statement. If you come to the Annual Meeting, you can ask that the proxy you submitted earlier not be used.

What happens if I return my proxy without indicating how I want my shares voted? If you return the proxy without specifying how you want your shares voted, you are giving discretionary authority to the proxies to vote your shares in accordance with the recommendations of the Board

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of Directors, which are described on pages 7 to 15. If any other matters are properly presented for consideration at the 2009 Annual Meeting, the persons named as proxies will have discretion to vote on these matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote.

There are three formal items scheduled to be voted upon at the Annual Meeting as described on page 1. As of the date of this Proxy Statement, the Board of Directors is not aware of any business other than as described in this Proxy Statement that will be presented for a vote at the 2009 Annual Meeting.

If I don't return the proxy card for vote at the 2009 Annual Meeting, what happens to my vote? If your shares are held by a broker, bank or other owner of record, your shares can be voted by the broker for agenda items one and two, election of directors and ratification of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm (Deloitte). Your broker does not have discretion to vote your shares held in street name on the other proposed agenda item. If you provide no instructions on how to vote on the remaining agenda item, the vote will be a broker non-vote which means that the broker cannot vote shares with respect to that agenda item. Under Indiana law, the law of the state where the Company is incorporated, broker non-votes and abstentions are counted to determine whether there is a quorum present.

How many votes are required to elect Directors or approve a proposal? How many votes are required for an agenda item to pass? The Restated Articles of Incorporation of ITT Corporation authorize the Company's By-laws to provide for majority voting for Directors in uncontested elections, and to further provide in such By-laws that in uncontested elections, any Director nominee who receives less than majority of the votes cast shall not be elected. The Company's By-laws provide for majority voting in uncontested elections. The By-laws provide that in uncontested elections, any Director nominee who fails to be elected by a majority, but who also is a Director at the time, shall promptly provide a written resignation, as a holdover Director, to the Chair of the Nominating and Governance Committee. The Nominating and Governance Committee shall promptly consider the resignation and all relevant facts and circumstances concerning any vote, including whether the cause of the vote may be cured, and the best interests of the Company and its shareholders. The independent Directors of the Board will act on the Nominating and Governance Committee's recommendation at its next regularly scheduled Board Meeting or within 90 days after certification of the shareholder vote, whichever is earlier, and the Board will promptly publicly disclose its decision and the reasons for its decision. This means that in an uncontested election, each of the ten director candidates must receive a majority of votes cast to be elected as a Director of ITT.

Under Indiana law, all other proposed agenda items require that the votes cast in favor of the proposal exceed the votes cast against the proposal. Accordingly, neither abstentions nor broker non-votes have any effect on the votes required under Indiana law.

How many shares of ITT stock are outstanding? As of the March 16, 2009 record date, 181,714,471 shares of ITT common stock were outstanding.

How many holders of ITT outstanding shares must be present to hold the Annual Meeting? In order to conduct business at the Annual Meeting it is necessary to have a quorum. To have a quorum, a majority of outstanding ITT shares of common stock on the record date must be present in person or by proxy.

How do I vote? You may vote for or withhold your vote with respect to any Director standing for reelection. With respect to other agenda items, you may vote for, against or abstain from voting.

What is the difference between a beneficial owner and a registered owner? If shares you own are held in an ITT savings plan for salaried or hourly employees, a stock brokerage account, bank or by another holder of record you are considered the beneficial owner because someone

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else holds the shares on your behalf. If the shares you own are held in a Smith Barney account for restricted shares or registered in your name directly with the Bank of New York Mellon our transfer agent, you are the registered owner and the shareholder of record.

How do I vote if I am a participant in ITT's savings plans for salaried or hourly employees? If you participate in any of the ITT savings plans for salaried or hourly employees, your plan trustee will vote the ITT shares credited to your savings plan account in accordance with your voting instructions, except as otherwise provided in accordance with the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The trustee votes the shares on your behalf because you are the beneficial owner, not the shareholder of record, of the savings plan shares. The trustee votes the savings plan shares for which no voting instructions are received (Undirected Shares) in the same proportion as the shares for which the trustee receives voting instructions, except as otherwise provided in accordance with ERISA. Under the savings plans, participants are named fiduciaries to the extent of their authority to direct the voting of ITT shares credited to their savings plan accounts and their proportionate share of Undirected Shares. By submitting voting instructions by telephone, the Internet or by signing and returning the voting instruction card, you direct the trustee of the savings plans to vote these shares, in person or by proxy at the Annual Meeting. ITT Salaried Plan participants should mail their confidential voting instruction card to Broadridge Financial Solutions, Inc. (Broadridge), acting as tabulation agent, or vote by telephone or Internet. Instructions must be received by Broadridge no later than 11:59 p.m. Eastern Time the day before the Annual Meeting.

I participate in the ITT savings plan for salaried employees and am a shareholder of record of shares of ITT common stock. How many proxy cards will I receive? You will receive only one proxy card. Your savings plan shares and any shares you own as the shareholder of record, including ownership through the ITT Direct Purchase, Sale and Dividend Reinvestment Plan, will be set out separately on the proxy card.

How many shares are held by participants in the ITT employee savings plans? As of March 16, 2009, the record date, Wells Fargo Institutional Trust Services, as the trustee for the employee salaried savings plan, held 9,927,867 shares of ITT common stock (approximately 5.46% of the outstanding shares) and The Northern Trust Company, as the trustee for the hourly employees savings plans, held 581,986 shares of ITT common stock (approximately .032% of the outstanding shares).

Who counts the votes? Is my vote confidential? Representatives of Broadridge count the votes. Representatives of IVS Associates, Inc. will act as Inspectors of Election for the 2009 Annual Meeting. The Inspectors of Election monitor the voting and certify whether the votes of shareholders are kept in confidence in compliance with ITT's confidential voting policy.

Who pays for the proxy solicitation cost? ITT pays the cost of soliciting proxies from registered owners. ITT has appointed Georgeson & Company to help with the solicitation effort. ITT will pay Georgeson & Company a fee of \$12,500 to assist with the solicitation and reimburse brokers, nominees, custodians and other fiduciaries for their costs in sending proxy materials to beneficial owners.

Who solicits proxies? Directors, officers or other regular employees of ITT may solicit proxies from shareholders in person or by telephone, facsimile transmission or other electronic communication.

How does a shareholder submit a proposal for the 2010 Annual Meeting? Rule 14a-8 of the Securities Exchange Act of 1934, or the Exchange Act, establishes the eligibility requirements and the procedures that must be followed for a shareholder proposal to be included in a public company's proxy materials. Under the rule, if a shareholder wants to include a proposal in ITT's proxy materials for its next Annual Meeting, the proposal must be received by ITT at its principal executive offices on or before November 27, 2009 and comply with eligibility requirements and

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procedures. An ITT shareholder who wants to present a matter for action at ITT's next Annual Meeting, but chooses not to do so under Exchange Act Rule 14a-8, must deliver to ITT, at its principal executive offices, on or before November 27, 2009 a written notice to that effect. In either case, as well as for shareholder nominations for Directors, the shareholder must also comply with the requirements in the Company's By-laws with respect to a shareholder properly bringing business before the Annual Meeting. (You can request a copy of the By-laws from the Secretary of ITT.)

Can a shareholder nominate Director Candidates? The Company's By-laws permit shareholders to nominate Directors at the Annual Meeting. To make a Director nomination at the 2010 Annual Meeting, you must submit a notice with the name of the candidate on or before November 27, 2009 to the Secretary of ITT. The nomination and notice must meet all other qualifications and requirements of the Company's Governance Principles, By-laws and Regulation 14A of the Exchange Act. The nominee will be evaluated by the Nominating and Governance Committee of the Board using the same standards as it uses for all Director nominees. These standards are discussed in further detail below at pages 19 to 20 under Information about the Board of Directors-Director Selection and Composition. No one may be nominated for election as a Director after he or she has reached 72 years of age. (You can request a copy of the nomination requirements from the Secretary of ITT.)

Stock Ownership Information

The Board of Directors' share ownership guidelines currently provide for share ownership levels at five times the annual retainer amount. Non-Management Directors receive a portion of their retainer in restricted stock or restricted stock units, which are paid in shares when the restricted stock units vest. Non-Management Directors are encouraged to hold such shares until his or her total share ownership meets or exceeds the ownership guidelines.

Share ownership guidelines for corporate officers, first approved by ITT's Board of Directors during 2001, are regularly reviewed. The guidelines specify the desired levels of Company stock ownership and encourage a set of behaviors for each officer to reach the guideline levels. The approved guidelines require share ownership expressed as a multiple of base salary for all corporate officers.

Specifically the guidelines apply as follows: chief executive officer at five times base salary; chief financial officer at three times annual base salary; senior vice presidents and group presidents at two times annual base salary; and all other corporate vice presidents at one times annual base salary. In achieving these ownership levels, shares owned outright, Company restricted stock and restricted stock units, shares held in the Company's dividend reinvestment plan, shares owned in the ITT Salaried Investment and Savings Plan, and phantom shares held in a fund that tracks an index of the Company's stock in the deferred compensation plan are considered.

To attain the ownership levels set forth in the guidelines it is expected that any restricted shares that become unrestricted will be held, and that all shares acquired through exercise of stock options will be held, except, in all cases, to the extent necessary to meet tax obligations.

Compliance with the guidelines is monitored periodically and, as of January 31, 2009, the share ownership levels have been substantially met for most Non-Management Directors and Company officers. Non-Management Directors and Company officers are afforded a reasonable period of time to meet the guidelines. The Company has taken the current world financial crisis, individual tenure, and Non-Management and corporate officer share ownership levels prior to the crisis into account in determining compliance with the guidelines.

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Non-Management Directors	5 X Annual Retainer Amount
CEO	5 X Annual Base Salary
CFO	3 X Annual Base Salary
Senior Vice Presidents	2 X Annual Base Salary
Vice Presidents	1 X Annual Base Salary

The following table shows, as of January 31, 2009, the beneficial ownership of ITT common stock and options exercisable within 60 days by each Director, by each of the executive officers named in the Summary Compensation Table at page 55, and by all Directors and executive officers as a group. In addition, with respect to Mr. Loranger and Non-Management Directors, we have provided information about ownership of restricted stock units that provide economic linkage to ITT common stock but do not represent actual beneficial ownership of shares.

Stock Ownership of Directors and Executive Officers

Name of Beneficial Owner	Title of Class ITT Common Stock	Amount and Nature of Beneficial Ownership					Percentage of Class
		Total Shares Beneficially Owned	ITT Common Stock Shares Owned	Options(1)	Stock Units		
Steven R. Loranger(2)(3)	Common Stock	755,915	133,464	494,400	173,051	0.416%	
Curtis J. Crawford	Common Stock	48,879	31,098	16,426	1,355	0.027%	
Christina A. Gold	Common Stock	38,938	21,157	16,426	1,355	0.021%	
Ralph F. Hake	Common Stock	25,898	11,677	12,866	1,355	0.014%	
John J. Hamre	Common Stock	35,031	17,250	16,426	1,355	0.019%	
Paul J. Kern(4)	Common Stock	1,016			1,016	0.001%	
Frank T. MacInnis	Common Stock	32,450	14,669	16,426	1,355	0.018%	
Surya N. Mohapatra(5)	Common Stock	4,910	2,342	1,213	1,355	0.003%	
Linda S. Sanford	Common Stock	39,851	22,070	16,426	1,355	0.022%	
Markos I. Tambakeras	Common Stock	31,659	13,878	16,426	1,355	0.017%	
Denise L. Ramos	Common Stock	24,088	24,088			0.013%	

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Nicholas P. Hill	Common Stock	67,466	14,924	52,542		0.037%
Vincent A. Maffeo	Common Stock	91,310	44,752	46,558		0.050%
Gretchen W. McClain	Common Stock	79,024	26,862	52,162		0.043%
All Directors and Executive Officers as a Group	Common Stock	1,732,730(6)	478,303	1,069,520	184,907	0.953%(6)

(1) More detail on outstanding option awards is provided in the 2008 Outstanding Equity Awards at Fiscal Year-End table at page 65. Ms. Ramos' outstanding options, reported on page 65, are not exercisable within sixty days. Dr. Mohapatra's and General Kern's outstanding options, reported on page 29, are not exercisable within sixty days.

(2) On June 28, 2004, Mr. Loranger received an award of 250,000 Restricted Stock Units (RSUs) under the ITT Corporation 2003 Equity Incentive Plan (the 2003 Plan), as

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amended and restated, in connection with his employment agreement. One-third of the units vested on June 28, 2007, one-third of the units vested on June 28, 2008 and the remaining one-third will vest on June 28, 2010. One-half of the vesting RSUs settle upon the vesting date and one-half of the vesting RSUs settle within ten days of Mr. Loranger's termination of employment. On June 28, 2007, 85,342 restricted stock units vested and one-half of the vested restricted stock units settled on the vesting date and one-half will settle within ten days of Mr. Loranger's termination of employment. On June 30, 2008, 86,265 vested and one-half of the vested restricted stock units settled on the vesting date and one-half will settle within ten days of Mr. Loranger's termination of employment. During the restriction period, Mr. Loranger may not vote the shares but is credited for RSU dividends.

- (3) Mr. Loranger received credit for 2,401 restricted stock units as dividends during 2008.
- (4) General Paul J. Kern was elected a Non-Management Director of the Company, effective August 7, 2008 and was awarded 1,016 shares of restricted stock units on that date.
- (5) Dr. Mohapatra was elected a Non-Management Director of the Company, effective February 14, 2008. On February 15, 2008, Dr. Mohapatra was awarded 342 shares of restricted stock.
- (6) Total shares beneficially owned include restricted stock units. Restricted stock units are payable to Mr. Loranger and the Non-Management Directors in shares when the restrictions lapse. Percentage of class includes restricted stock units.

The number of shares beneficially owned by each Non-Management Director or executive officer has been determined under the rules of the SEC, which provide that beneficial ownership includes any shares as to which a person has sole or shared voting or dispositive power, and any shares which the person would have the right to acquire beneficial ownership of within 60 days through the exercise of any stock option or other right. Unless otherwise indicated, each Non-Management Director or executive officer has sole dispositive and voting power, or shares those powers with his or her spouse.

As of January 31, 2009, all Non-Management Directors and executive officers as a group owned 0.953% of the shares deemed to be outstanding. No individual Non-Management Director or executive officer owned in excess of one percent of the shares deemed to be outstanding.

Schedule 13G Filings

Set forth below is information reported to the SEC on the most recently filed Schedule 13G by the following persons who owned more than 5% of ITT outstanding common stock. This information does not include holdings by the Trustee with respect to individual participants in the ITT Salaried Investment and Savings Plan.

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of Class
Barrow, Hanley, Mewhinney & Strauss, Inc.(1) 2200 Ross Avenue, 31st Floor Dallas, TX 75201-2761	13,763,155	7.58%
Vanguard Windsor Funds-Vanguard Windsor II Fund(2)	10,267,500	5.65%

100 Vanguard Blvd.
Malvern, PA 10355

- (1) As reported on Schedule 13G/A dated February 11, 2009, Barrow, Hanley, Mewhinney & Strauss, Inc. has sole voting power with respect to 1,051,155 shares, shared voting power with respect to 12,712,000 shares, and sole dispositive power with respect to 13,763,155 shares.
- (2) As reported on Schedule 13G/A dated February 13, 2009, Vanguard Windsor Funds Vanguard Windsor II Fund, has sole voting power with respect to 10,267,500 shares.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that the Company's executive officers and directors, and any persons beneficially owning more than 10% of a registered class of the Company's equity securities, file reports of ownership and changes in ownership with the SEC within specified time periods. To the Company's knowledge, based upon a review of the copies of the reports furnished to the Company and written representations that no other reports were required, all filing requirements were satisfied in a timely manner for the year ended December 31, 2008.

Proposals to be voted on at the 2009 Annual Meeting

1. Election of Directors

The Board of Directors has nominated ten individuals for election as Directors at the 2009 Annual Meeting. Each of the nominees is currently serving as a Director of ITT and has agreed to continue to serve if elected until his or her retirement, resignation or death. If unforeseen circumstances arise before the 2009 Annual Meeting and a nominee becomes unable to serve, the Board of Directors could reduce the size of the Board or nominate another candidate for election. If the Board nominates another candidate, the proxies could use their discretion to vote for that nominee. Each Director elected at the 2009 Annual Meeting will be elected to serve as a Director until ITT's next Annual Meeting.

The Board of Directors recommends that you vote FOR the election of each of the following ten nominees:

Steven R. Loranger

Chairman, President and Chief Executive Officer,
ITT Corporation

Mr. Loranger, 57, was appointed President and Chief Executive Officer and elected a Director of ITT on June 28, 2004. He was elected Chairman of the Board of Directors on December 7, 2004. Mr. Loranger previously served as Executive Vice President and Chief Operating Officer of Textron, Inc. from 2002 to 2004, overseeing Textron's manufacturing businesses, including aircraft and defense, automotive, industrial products and components. From 1981 to 2002, Mr. Loranger held executive positions at Honeywell International Inc. and its predecessor company, AlliedSignal, Inc., including serving as President and Chief Executive Officer of its Engines, Systems and Services businesses. Mr. Loranger is a member of the Business Roundtable, serves on the boards of the National Air and Space Museum and the Congressional Medal of Honor Foundation and is on the Executive Committee of the Aerospace Industries Association Board of Governors. Mr. Loranger received bachelors and masters degrees in science from the University of Colorado. Mr. Loranger is also a director of the FedEx Corporation.

Mr. Loranger has been a Director of ITT since 2004.

Curtis J. Crawford, Ph.D.

President and Chief Executive Officer, XCEO, Inc., a
leadership and corporate governance consulting firm

Dr. Crawford, 61, is President and Chief Executive Officer of XCEO, Inc. From April 1, 2002 to March 31, 2003 he served as President and Chief Executive Officer of Onix Microsystems, a

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private photonics technology company. He was Chairman of the Board of Directors of ON Semiconductor Corporation from September 1999 until April 1, 2002. Previously, he was President and Chief Executive Officer of ZiLOG, Inc. from 1998 to 2001 and its Chairman from 1999 to 2001. Dr. Crawford is a Director of E.I. DuPont de Nemours and Company, ON Semiconductor Corporation, and is a member of the Board of Trustees of DePaul University. He received a B.A. degree in business administration and computer science and an M.A. degree from Governors State University, an M.B.A. from DePaul University and a Ph.D. from Capella University. Governors State University awarded him an honorary doctorate in 1996 and he received an honorary doctorate degree from DePaul University in 1999. Dr. Crawford is the author of two books on leadership and corporate governance.

Dr. Crawford has been a Director of ITT since 1996.

Christina A. Gold

President, Chief Executive Officer and
Director, The Western Union Company, Inc., a
global leader in money transfer and financial services

Mrs. Gold, 61, has been President and Chief Executive Officer of The Western Union Company, a leading company in global money transfer, since September 2006. From May 2002 to September 2006, Mrs. Gold was President of Western Union Financial Services, Inc. and Senior Executive Vice President of Western Union's parent company, First Data Corporation. From October 1999 to May 2002, she was Chairman, President and Chief Executive Officer of Excel Communications, Inc. Mrs. Gold served as President and Chief Executive Officer of The Beaconsfield Group from March 1998 to October 1999. From 1997 to 1998, Mrs. Gold was Executive Vice President of Global Development of Avon Products, Inc., and from 1993 to 1997, she was President of Avon North America. Mrs. Gold is also a director of The Western Union Company and New York Life Insurance. Mrs. Gold is a graduate of Carleton University, Ottawa, Canada.

Mrs. Gold has been a Director of ITT since 1997.

Ralph F. Hake

Former Chairman and Chief Executive,
Maytag Corporation,
a home and commercial appliance company

Mr. Hake, 60, was Chairman and Chief Executive of Maytag Corporation from June of 2001 to March of 2006. Previously, he was Executive Vice President and Chief Financial Officer for Fluor Corporation, an engineering and construction firm. From 1987 to 1999, Mr. Hake served in various executive capacities at Whirlpool Corporation, including Chief Financial Officer and Senior Executive Vice President for global operations. He is also a director of Owens-Corning Corporation. Mr. Hake is a 1971 business and economics graduate of the University of Cincinnati and holds an M.B.A. from the University of Chicago.

Mr. Hake has been a Director of ITT since 2002.

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John J. Hamre, Ph.D.

President and Chief Executive Officer, Center for Strategic & International Studies (CSIS), a public policy research institution dedicated to strategic, bipartisan global analysis and policy impact

Dr. Hamre, 58, was elected President and Chief Executive Officer of CSIS in April of 2000. Prior to joining CSIS, he served as U.S. Deputy Secretary of Defense from 1997 to 2000 and Under Secretary of Defense (Comptroller) from 1993 to 1997. Dr. Hamre is a Director of MITRE Corporation, and SAIC, Inc. He received a B.A. degree, with highest distinction from Augustana College in Sioux Falls, South Dakota, was a Rockefeller Fellow at Harvard Divinity School and was awarded a Ph.D., with distinction, from the School of Advanced International Studies, Johns Hopkins University, in 1978.

Dr. Hamre has been a Director of ITT since 2000.

Paul J. Kern

President and Chief Operating Officer, AM General LLC, a world leader in the design, engineering, production and technical and parts support of military and special purpose vehicles.

General Kern, 63, has served as President and Chief Operating Officer of AM General LLC since August 1, 2008. He is also Senior Counselor to The Cohen Group. In November 2004, General Kern retired from the United States Army as Commanding General, Army Materiel Command (AMC). General Kern graduated from the U.S. Military Academy at West Point. He holds Masters Degrees in both Civil and Mechanical Engineering from the University of Michigan, and he was a Senior Security Fellow at the John F. Kennedy School at Harvard University. General Kern serves on the Board of Directors of iRobot Corporation, CoVant Technologies LLC, and AT Solutions, a subsidiary of CoVant Technologies. General Kern, formerly a Director of the EDO Corporation, was identified as a potential Director in connection with the acquisition of the EDO Corporation by the Company and was also identified by a third-party search firm.

General Kern has been a Director of ITT Corporation since August 2008.

Frank T. MacInnis

Chairman and Chief Executive Officer, EMCOR Group, Inc., one of the world's largest providers of electrical and mechanical construction services, energy infrastructure and facilities services.

Mr. MacInnis, 62, has been Chairman of the Board and Chief Executive Officer of EMCOR Group, Inc. since April 1994. He was also President of EMCOR from April 1994 to April 1997. Mr. MacInnis is also a Director of The Williams Companies, Inc., The Greater New York Chapter of the March of Dimes and ComNet Communications, LLC. Mr. MacInnis received an undergraduate degree from The University of Alberta and is a graduate of The University of Alberta Law School, Alberta, Canada.

Mr. MacInnis has been a Director of ITT since 2001.

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Surya N. Mohapatra, Ph.D.

Chairman of the Board, President and Chief Executive Officer of Quest Diagnostics Incorporated, the nation's leading provider of diagnostic testing, information and services.

Dr. Mohapatra, 59, was appointed President and Chief Operating Officer of Quest Diagnostics Incorporated in June 1999, a Director in 2002, its Chief Executive Officer in May 2004, and Chairman of the Board in December 2004. Prior to joining Quest Diagnostics Incorporated in February 1999 as Senior Vice President and Chief Operating Officer, Dr. Mohapatra was Senior Vice President of Picker International, a worldwide leader in advanced medical imaging technologies, where he served in various executive positions during his 18-year tenure. Dr. Mohapatra earned a Bachelor of Science degree in electrical engineering from Sambalpur University in India. Additionally, he holds a Master of Science in medical electronics from the University of Salford, England, as well as a doctorate in medical physics from the University of London and The Royal College of Surgeons of England.

Dr. Mohapatra has been a director of ITT since February 2008.

Linda S. Sanford

Senior Vice President, Enterprise On Demand Transformation, International Business Machines Corporation (IBM), an information technology company

Ms. Sanford, 56, was named Senior Vice President, Enterprise on Demand Transformation, IBM in January 2003. Previously, she was Senior Vice President and Group Executive, IBM Storage Systems Group, responsible for development of IBM's Enterprise Storage Server and other storage-related hardware and software. She also has held positions as General Manager, IBM Global Industries and General Manager of IBM's S/390 Division. Ms. Sanford is a member of the Women in Technology International Hall of Fame and the National Academy of Engineers. She is on the Board of Trustees of St. John's University and Rensselaer Polytechnic Institute, serves on the Board of Directors of Partnership for New York City and is a member of the Board of Directors for the Business Council of New York State, Inc. Ms. Sanford is a graduate of St. John's University and earned an M.S. degree in operations research from Rensselaer Polytechnic Institute.

Ms. Sanford has been a Director of ITT since 1998.

Markos I. Tambakeras

Former Chairman, President and Chief Executive Officer, Kennametal, Inc., a premier global tooling solutions, engineered components and advanced materials supplier to the automotive, aerospace, energy, mining, construction and other industries

Mr. Tambakeras, 58, served as Chairman of the Board of Directors, Kennametal, Inc. from July 1, 2002 until December 31, 2006. He was also President and Chief Executive Officer of Kennametal from July 1999 through December 31, 2005. From 1997 to June 1999, Mr. Tambakeras served as President, Industrial Controls Business, for Honeywell Incorporated. Mr. Tambakeras also serves on the Board of Parker Hannifin Corporation and the Newport Group. He is a trustee of Arizona State University. Mr. Tambakeras received a B.Sc. degree from the University of Witwatersrand, Johannesburg, South Africa and an M.B.A. from Loyola Marymount University, Los Angeles, CA.

Mr. Tambakeras has been a Director of ITT since 2001.

Table of Contents**2. Ratification of Appointment of the Independent Registered Public Accounting Firm**

Subject to the shareholders' ratification, the Board of Directors has appointed Deloitte & Touche LLP ("Deloitte") as ITT's independent registered public accounting firm for 2009. Deloitte is registered as a registered public accounting firm by the Public Company Accounting Oversight Board ("PCAOB"). Representatives of Deloitte attended all regularly scheduled meetings of the Audit Committee during 2008. Annually the Audit Committee reviews and considers Deloitte's performance on the Company's Audit. Performance factors reviewed included Deloitte's:

- independence
- experience
- technical capabilities
- client service assessment
- responsiveness
- financial strength
- industry insight
- PCAOB's 2006 report of selected Deloitte audits
- leadership
- the nature of non-audit services provided by Deloitte
- management structure
- peer review program
- commitment to quality report
- appropriateness of fees charged
- compliance and ethics programs

The Audit Committee also reviewed the terms and conditions of Deloitte's engagement letter including an agreement by the Company to submit disputes between Deloitte and the Company to a dispute resolution process and to limit awards based on punitive or exemplary damages under the dispute resolution procedures.

The Audit Committee discussed these considerations, fees and services with Deloitte and Company management. The Audit Committee also determined that any non-audit services (services other than services described in the annual audit services engagement) provided by Deloitte were permitted under the rules and regulations concerning auditor independence promulgated by the SEC to implement the Sarbanes-Oxley Act of 2002, and rules promulgated by the PCAOB in Rule 3526T. Representatives of Deloitte will be present at the 2009 Annual Meeting to answer questions. Representatives of Deloitte also will have the opportunity to make a statement if they desire to do so.

Independent Registered Public Accounting Firm Fees

Aggregate fees billed to the Company for the fiscal years ended December 31, 2008 and 2007 represent fees billed by the member firms of Deloitte Touche Tohmatsu, and their respective affiliates.

	Fiscal Year Ended (in thousands)	
	2008	2007
Audit Fees(1)	\$ 10,835	\$ 8,643
Audit-Related Fees(2)	1,034	951
Tax Fees(3)		
Tax Compliance Services	506	428

Tax Planning Services	505	230
Total Tax Services	1,011	658
Total	\$ 12,880	\$ 10,252

(1) Fees for audit services billed in 2008 and 2007 consisted of:

Audit of the Company's annual financial statements and internal control over financial reporting;

Reviews of the Company's quarterly financial statements;

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Statutory and regulatory audits, consents and other services related to SEC matters; and

Financial accounting and reporting consultations.

(2) Fees for audit-related services billed in 2008 and 2007 consisted of:

Employee benefit plan audits;

Audits and other attest work related to acquisitions and dispositions;

Internal control advisory services; and

Other miscellaneous attest services.

(3) Fees for tax services billed in 2008 and 2007 consisted of tax compliance and tax planning and advice:

Tax compliance services are services rendered, based upon facts already in existence or transactions that have already occurred, to document, compute, and obtain government approval for amounts to be included in tax filings consisting primarily of:

i. Federal, foreign, state and local income tax return assistance; and

ii. Internal Revenue Code and foreign tax code technical consultations.

Tax planning services are services and advice rendered with respect to proposed transactions or services that alter the structure of a transaction to obtain an anticipated tax result. Such services consisted primarily of:

i. Transfer pricing consultations; and

ii. Tax advice related to intra-group restructuring.

	2008	2007
Ratio of Tax Planning and Advice to Total Fees	3.9%	2.2%

Pre-Approval of Audit and Non-Audit Services

The Audit Committee pre-approves audit services provided by Deloitte. The Audit Committee has also adopted a policy on pre-approval of non-audit services provided by Deloitte and certain non-audit services provided by outside internal audit service providers. The purpose of the policy is to identify thresholds for services, project amounts and circumstances where Deloitte and any outside internal audit service providers may perform non-audit services. A second level of review and approval by the Audit Committee is required when such non-audit services, project amounts, or circumstances exceed the specified amounts.

The Audit Committee has determined that, where practical, all non-audit services shall first be placed for competitive bid prior to selection of a service provider. Management may select the party deemed best suited for the particular engagement, which may or may not be Deloitte. Providers other than Deloitte shall be preferred in the selection

process for non-audit service related work. The policy and its implementation are reviewed and reaffirmed on a regular basis to assure conformance with applicable rules.

The Audit Committee has approved specific categories of audit, audit-related and tax services incremental to the normal auditing function, which Deloitte may provide without further Audit Committee pre-approval. These categories include among others, the following:

1. Due diligence, closing balance sheet audit services, purchase price dispute support and other services related to mergers, acquisitions and divestitures;
2. Employee benefit advisory services, independent audits and preparation of tax returns for the Company's defined contribution, defined benefit and health and welfare benefit plans, preparation of the associated tax returns or other employee benefit advisory services;

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3. Tax compliance and certain tax planning and advice work; and
4. Accounting consultations and support related to generally accepted accounting principles (GAAP) or government contract compliance.

The Audit Committee has also approved specific categories of audit-related services, including assessment and review of internal controls and effectiveness of those controls, which outside internal audit service providers may provide without further approval.

If fees for any pre-approved non-audit services provided by either Deloitte or any internal audit service provider exceed a pre-determined threshold during any calendar year, any additional proposed non-audit services provided by that service provider must be submitted for second-level approval by the Audit Committee. Other audit, audit-related and tax services which have not been pre-approved are subject to specific prior approval. The Audit Committee reviews the fees paid or committed to Deloitte on at least a quarterly basis.

The Company may not engage Deloitte to provide the services described below:

1. Bookkeeping or other services related to the accounting records or financial statements of the Company;
2. Financial information systems design and implementation;
3. Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
4. Actuarial services;
5. Internal auditing services;
6. Management functions or human resources services;
7. Broker-dealer, investment adviser or investment banking services; or
8. Legal services and other expert services unrelated to the audit.

Employees of Deloitte who are senior manager level or above, including lead or concurring partners and who have been involved with the Company in the independent audit, shall not be employed by the Company in any capacity for a period of five years after the termination of their activities on the Company account.

The Board of Directors recommends you vote FOR ratification of appointment of the Company s Independent Registered Public Accounting Firm.

3. Shareholder Proposal

Report on Military Sales to Foreign Governments

Several shareholders have advised the Company that they intend to present the following resolution at the Annual Meeting. In accordance with applicable proxy regulations, the proposed resolution and supporting statement, for which the Board of Directors and the Company accept no responsibility, are set forth below. Approval of this proposal would require the affirmative vote of a majority of the outstanding shares of ITT stock present in person or by proxy

and entitled to vote at the Annual Meeting. Identical shareholder proposals were received from each of the Mercy Investment Program and the Dominican Sisters of Hope, Corporate Social Responsibility, each located at 205 Avenue C, Apt. 10E New York, NY 10009; the Presbyterian Church (USA), 100 Witherspoon Street Louisville, KY 40202-1396; and the Domestic and Foreign Missionary Society of the Episcopal Church, 815 Second Avenue New York, NY 10017-4503 (collectively, the Proponents), which shareholders hold 100, 1,800, 54, and 11,500 shares respectively.

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2009 ITT Industries Resolution on Foreign Military Sales

WHEREAS the United States exports weapons and related military services through foreign military sales (government-to-government), direct commercial weapons sales (U.S. companies to foreign buyers), equipment leases, transfers of excess defense articles and emergency drawdowns of weaponry.

The United States government has requested \$4.54 billion in Foreign Military Financing for Fiscal Year 2008 including \$3.9 billion for the Near East region (the recent 10-year agreement to increase military aid to Israel and proposed sales to Saudi Arabia may increase that amount).

In a number of recent United States combat engagements (e.g., the first Gulf War, Somalia, Afghanistan and Iraq), our troops faced adversaries who had previously received U.S. weapons or military technology. In the United States government's Fiscal Year 2007, ITT Industries was ranked the 14th largest Department of Defense contractor with \$2.748 billion in contracts. (*Government Executive*, August 15, 2008) On March 27, 2007, our company announced that it would pay a \$50 million fine and plead guilty to two violations of the International Traffic in Arms Regulations (ITAR), one for improper handling of sensitive documents, and one for making misleading statements to the State Department's Directorate of Defense Trade Controls (DDTC).

RESOLVED: Shareholders request that the Board of Directors provide, within six months of the 2009 annual meeting, a comprehensive report, at reasonable cost and omitting proprietary and classified information, of ITT Industries' foreign sales of military and weapons-related products and services.

SUPPORTING STATEMENT

We believe with the American Red Cross that the greater the availability of arms, the greater the violations of human rights and international humanitarian law.

Global security is security of all people. Weapons sold to one country at a certain time subsequently can become a threat to our own security, as we have seen several times in our recent history. We also believe that this report will assist shareholders in assessing the effectiveness of newly instituted company procedures to prevent further violations of ITAR. Therefore, we believe it is reasonable that the report include:

1. Processes used to determine and promote foreign sales;
2. Criteria for choosing countries with which to do business;
3. A description of procedures used to negotiate foreign arms sales, government-to government and direct commercial sales and the percentage of sales for each category; and
4. For the past three years, categories of military equipment or components, including dual use items, exported with as much statistical information as possible; categories of contracts for servicing/maintaining equipment; offset agreements for the past three years; and licensing and/or co-production with foreign governments.

We urge you to vote in favor of this reasonable resolution.

Management's Response

The proposal requests that the Company provide, within six months of the 2009 annual meeting, a comprehensive report, at reasonable cost and omitting proprietary and classified information, of the foreign sales of military and

weapons-related products and services by the Company (identified by its former name). The Company believes that producing the report requested by the Proposal is unnecessary because sufficient information is publicly available. The Company's foreign military sales are a matter of public record through U.S. government-provided information or the news media. The Department of Defense (foreign military sales) and Department of State (direct

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commercial sales) provide notification of such sales to Congress and the media. Furthermore, pursuant to 15 C.F.R. Part 701, Offsets in Military Exports, under the Defense Production Act of 1950, as amended, the Company already provides offset agreement data to the Department of Commerce Bureau of Industry and Security data for its *Offsets in Defense Trade Report* (see, for example, the January 2007, 11th edition), which is publicly available and required pursuant to Section 309 of the Defense Production Act of 1950 (50 U.S.C. § 2099). Sources of publicly available information on the Company's military sales include the website of the Defense Security Cooperation Agency at www.dsca.mil, which lists public notices to Congress of proposed major foreign military sales under Section 36(b) of the Arms Export Control Act, as amended (which are also published in the Federal Register), as well as announcements of foreign military sales contracts, and the website of the Federation of American Scientists at www.fas.org, which also provides information on such public notices and other information regarding foreign military sales and direct commercial sales.

In addition, the Company's Annual Reports to Shareholders, its periodic reports on Forms 10-K and 10-Q, and its corporate website www.itt.com provide extensive information concerning the Company's military products and services. The Company's 2007-2008 Corporate Responsibility Report available through <http://www.itt.com/responsibility/> contains detailed information on pages 4 and 5 about the Company's global presence with employees working in more than 55 countries and The Company's Revenue Profile on page 4 indicates that the defense business in its entirety accounts for 46% of the Company's fiscal 2007 revenue. Part I of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the Commission on February 25, 2009 (the 2008 Form 10-K) describes in detail the Company's Defense Electronics & Services segment and its sales and revenues statistics on pages 2 and 3. The defense business represented 54% of the Company 2008 sales and revenue. Note 21 to the Company's consolidated financial statements on pages 77-78 of the 2008 Form 10-K breaks down sales to Western Europe, Asia Pacific and the United States.

The Company also provides extensive information regarding the ITT Defense Electronics & Services business segment on a separate standalone website www.defense.itt.com. The website divides the Defense Electronics & Services segments into quadrants: Communications, Sensing & Surveillance, Space and Advanced Engineering Services. The quadrants have been further divided into various sub-categories covering the entire spectrum of the Defense Electronics & Services products and services. Each sub-category within a quadrant contains detailed information on the specific products sold and services offered in the sub-category. The Company believes this disclosure provides the Company's shareholders with more than adequate information concerning the Company's processes, procedures, criteria and statistics regarding foreign sales of military and weapons-related products and services.

The Company believes that the level of detail required to be compiled by the Proposal does not serve a productive purpose as the information provided would be of a specialized and technical nature. Further, such information could not accurately describe the decision making process of the management and would impinge upon their ability to manage the affairs of the Company, which is ultimately not in the interests of the Company or the shareholders themselves.

THE BOARD OF DIRECTORS RECOMMENDS YOU VOTE AGAINST THE SHAREHOLDER PROPOSAL REQUIRING THE COMPANY TO PROVIDE A REPORT ON MILITARY SALES TO FOREIGN GOVERNMENTS.

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Information about the Board of Directors

Responsibilities of the Board of Directors. The Board of Directors sets policy for ITT and advises and counsels the chief executive officer and the executive officers who manage the Company's business and affairs. The Board of Directors is responsible for assuring that:

the Company's businesses are conducted in conformity with applicable laws and regulations;

the Company's systems of financial reporting and internal controls are adequate and properly implemented;

there is continuity in the leadership of the Company;

management develops sound business strategies;

adequate capital and managerial resources are available to implement the business strategies;

the Company's long-term strategies, significant investments in new businesses, joint ventures and partnerships and significant business acquisitions, including assessment of balance sheet impacts and other financial matters are reviewed and approved; and

the Company's operating plans and capital, research and development and engineering budgets are reviewed and approved.

Governance Principles. The Board of Directors has adopted principles for governance of the Board (the Corporate Governance Principles) and charters for each of its standing committees. The Corporate Governance Principles provide, among other things, that an Independent Presiding Director shall be appointed on an annual basis (but no Non-Management Director shall serve more than three consecutive annual terms) to preside at meetings of the Board of Directors at which the Chairman is not present, including regularly scheduled private sessions of the Non-Management Directors.

The Independent Presiding Director, whose position is described more fully at Section 7c of the Board's Corporate Governance Principles, <http://www.itt.com/responsibility/governance/principles/>, is also available to address issues or concerns raised by other Non-Management Directors, senior executives or major shareholders; communicate any issues or concerns to the full Board and the Chairman, President and Chief Executive Officer; assist the Chairman, President and Chief Executive Officer in developing appropriate schedules and agendas for Board and Committee meetings, and act on behalf of the Chairman, President and Chief Executive Officer and the Board as a formal coordinating point for facilitating, canvassing, reconciling and communicating board issues, concerns and recommendations. The Board of Directors has selected Frank T. MacInnis as its Independent Presiding Director, to serve a one-year term, expiring in May 2009.

The Corporate Governance Principles further provide that Directors must be able to devote the requisite time for preparation and attendance at regularly scheduled Board and Board Committee meetings, as well as be able to participate in other matters necessary for good corporate governance. To help assure that Directors are able to fulfill their commitments to the Company, the Corporate Governance Principles provide that Directors who are chief executive officers of publicly traded companies may serve on not more than two public company boards (including the ITT Board) in addition to service on their own board and other Directors may not serve on more than four public company boards (including the ITT Board). The Corporate Governance Principles and Committee Charters are

reviewed by the Board at least annually and posted on the Company's website at <http://www.itt.com/responsibility/governance/#principles-charters>. A copy of the Corporate Governance Principles will be provided, free of charge, to any shareholder upon request to the Secretary of ITT.

Communication with the Board of Directors. Interested parties may contact the Independent Presiding Director, all outside Directors as a group or an individual Director by submitting a letter to the desired recipient in a sealed envelope labeled Independent Presiding Director, Outside

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Directors or with the name of a specific director. This letter should be placed in a larger envelope and mailed to the Secretary, ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, USA. The Secretary will forward the sealed envelope to the designated recipient.

Policies for Approving Related Person Transactions. The Company and the Board have adopted formal written policies for evaluation of potential related person transactions, as those terms are defined in the SEC's rules for executive compensation and related person disclosure, which provide for review and pre-approval of transactions which may or are expected to exceed \$120,000 involving Non-Management Directors, Executive Officers, members of a Director's Immediate Family and beneficial owners of five percent or more of the Company's common stock or other securities. The Company's Related Person Transaction Policy is posted on the Company's website at: <http://www.itt.com/responsibility/governance/related-party-transactions/>.

The Company has also adopted the ITT Code of Corporate Conduct which applies to the Company's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer and, where applicable, to its Non-Management Directors. The Code of Corporate Conduct is also posted on the Company's website at <http://www.itt.com/responsibility/conduct/>. The Company discloses any changes or waivers from its code of ethics on its website for the Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer and other executive officers. A copy of the Code of Corporate Conduct will be provided, free of charge, to any shareholder upon request to the Secretary of ITT.

Independent Directors. The Company's By-laws require that a majority of the Directors must be independent directors. Additionally, the Company's Non-Management Directors must meet the New York Stock Exchange (NYSE) and the Company's Corporate Governance Principles independence standards. The Company's Corporate Governance Principles define independence. The Charters of the Audit, Compensation and Personnel, Nominating and Governance, and Strategy and Finance Committees as well as the resolution establishing the Special Litigation Committee also require all members to be independent directors.

Based on its review, the Board of Directors affirmatively determined, after considering all relevant facts and circumstances, that no Non-Management Director has a material relationship with the Company and that all Non-Management Directors, including all members of the Audit, Compensation and Personnel, Corporate Responsibility, Nominating and Governance and Strategy and Finance Committees, meet the independence standards of the Company's Corporate Governance Principles and By-laws as well as the independence definition in the current NYSE corporate governance rules for listed companies.

NYSE Independence Requirements:

- (a) A Director qualifies as independent when the board of directors affirmatively determines that the director has no material relationship with the company, or any subsidiary in a consolidated group (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must identify which directors are independent and disclose the basis for that determination.
- (b) In addition, a director is not independent if:
 - (i) The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company.
 - (ii) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the listed company, 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).

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- (iii) (A) The director or an immediate family member is a current partner of a firm that is the company's internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the listed company's audit within that time.
- (iv) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee.
- (v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

In addition to the NYSE standards, and the independence standards in the Company's By-laws, the Board has adopted the following categorical standards for independence described below, which are included in the Board's Corporate Governance Principles.

Under the Corporate Governance Principles, an independent director is someone who is free of any relationship that would interfere with the exercise of independent judgment, and within the past 5 years:

has not been employed by the Company in an executive capacity;

has not been an advisor or consultant to the Company, and has not been affiliated with a company or a firm that is;

has not been affiliated with a significant customer or supplier of the Company;

has not had a personal services contract with the Company;

has not been affiliated with a tax-exempt entity that receives significant contributions from the Company;

has not been related to any of the persons described above; and

has not been part of an interlocking directorate in which an executive officer of the Company is a member of the compensation committee of the company that employs the Director.

Each year, the Company's Directors and executive officers complete annual questionnaires designed to elicit information about potential related person transactions. Additionally, Directors and executive officers must promptly advise the Corporate Secretary if there are any changes to the information previously provided.

The Nominating and Governance Committee reviews and considers all relevant facts and circumstances with respect to independence for each Director standing for election prior to recommending selection as part of the slate of Directors presented to the shareholders for election at the Company's Annual Meeting. The Nominating and Governance Committee reviews its recommendations with the full Board, which separately considers and evaluates the independence of Directors standing for re-election using the categorical standards described above.

In February 2009, the Board considered regular commercial sales and payments in the ordinary course of business as well as charitable contributions with respect to each of the Non-Management Directors standing for re-election at the Company's 2009 Annual Meeting. In particular, the Board evaluated the amount of sales to ITT or purchases by ITT with respect to companies where any of

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the Directors serve or served as an executive officer or director. In no instances was a Director a current employee, or was an immediate family member of a Director a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of \$1 million, or 2% for each respective company's consolidated gross revenues. The Board also considered the Company's charitable contributions to non-profit organizations with respect to each of the Non-Management Directors. No contributions exceeded one percent of the consolidated gross revenues of any non-profit organization.

Mr. Loranger is not independent because of his position as Chairman, President and Chief Executive Officer of the Company.

The following are the independent directors standing for election: Drs. Crawford, Hamre, and Mohapatra; General Kern; Messrs. Hake, MacInnis, and Tambakeras, Mrs. Gold and Ms. Sanford.

Compensation Committee Interlocks and Insider Participation: None of the members of the Compensation and Personnel Committee during fiscal 2008 or as of the date of this proxy statement has been an officer or employee of the Company and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company's Compensation and Personnel Committee or Board of Directors.

Director Selection and Composition: Directors of the Company must be persons of integrity, with significant accomplishments and recognized business stature. To be considered by the Nominating and Governance Committee as a Director candidate, a nominee must meet the requirements of the Company's By-laws and Corporate Governance Principles. A nominee should also have experience as a board member, chief executive officer or senior officer of a publicly traded or large privately held company, or have achieved recognized prominence in a relevant field as, for example, a distinguished faculty member of a highly regarded educational institution or senior governmental official. In addition to these minimum qualifications, the Nominating and Governance Committee evaluates each nominee's skills to determine if those skills are complementary to the skills demonstrated by current Board members. The Nominating and Governance Committee also evaluates the Board's needs for operational, technical, management, financial, international or other expertise.

Prior to recommending nominees for election as Directors, the Company's Nominating and Governance Committee engages in a deliberative, evaluative process to assure each nominee possesses the skills and attributes that individually and collectively will contribute to an effective Board of Directors. Biographical information for each candidate for election as a Director is evaluated and candidates for election participate in interviews with existing Board members and management, and are subject to thorough background checks. Director nominees must be willing to commit the requisite time for preparation and attendance at regularly scheduled Board and Committee meetings and participation in other matters necessary for good corporate governance.

The Nominating and Governance Committee identifies Director candidates through a variety of sources including personal references and business contacts. On occasion, the Nominating and Governance Committee utilizes a search firm to identify and screen Director candidates and pays a fee to that firm for each such candidate elected to the Board of the Company. In 2008, the Nominating and Governance Committee considered the candidacy of General Paul J. Kern. General Kern was identified as a former director of the EDO Corporation, which was acquired by the Company, as well as by a third-party search firm. The Nominating and Governance Committee will consider shareholder nominees for election to the Company's Board who meet the qualification standards described above. (See Section II.5 of the Nominating and Governance Charter at <http://www.itt.com/responsibility/governance/nominating/>.) The Nominating and Governance Committee also evaluates and makes recommendations to the Board of Directors concerning appointment of Directors to Board Committees, selection of Board Committee Chairs, Committee member

qualifications, Committee member appointment and removal, Committee structure and

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operations and proposal of the Board slate for election at the Annual Meeting of Shareholders, consistent with criteria approved by the Board of Directors.

Committees of the Board of Directors: The standing Committees of the Board described below perform essential corporate governance functions. In October of 2007 the Board also formed a Special Litigation Committee to oversee an independent investigation involving the Company's Night Vision matter.

Audit Committee

2008 Audit Committee Members are:

Ralph F. Hake, Chair
Christina A. Gold
Surya N. Mohapatra
Linda S. Sanford

Meetings in 2008: 9

Responsibilities:

Subject to any action that may be taken by the full Board, the Audit Committee has the ultimate authority and responsibility to determine Deloitte qualifications and independence, and to appoint (or nominate for shareholder ratification), evaluate, and where appropriate, consider rotation or replacement of Deloitte.

Review and discuss with management and Deloitte, and approve the audited financial statements of the Company and make a recommendation regarding inclusion of those financial statements in any public filing including the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K), including discussion of the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.

Review and consider with Deloitte matters required to be discussed by PCAOB Standards, Statement of Auditing Standards (SAS) No. 114 (The Auditor's Communication with Those Charged with Governance) and all other applicable regulatory agencies.

Review with management and Deloitte the effect of regulatory and accounting initiatives on the Company's financial statements.

As a whole, or through the Committee chair, review and discuss with Deloitte the Company's interim financial results to be included in the Company's earnings report or quarterly reports to be filed with the SEC, including discussion of the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations prior to the filing of its Form 10-Q with the SEC.

Review and discuss with management the types of information to be disclosed and the types of presentations to be made with respect to the Company's earning releases and rating agency presentations.

Monitor and discuss with management and Deloitte the quality and adequacy of the Company's internal controls and their

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effectiveness, and meet regularly and privately with the Director of Internal Audit.

Annually request from Deloitte a formal written statement delineating all relationships between Deloitte and the Company, consistent with the Public Company Accounting Oversight Board's Rule 3526T.

With respect to such relationships, the Audit Committee shall:

Discuss with Deloitte any disclosed relationships and the impact of the relationship on Deloitte independence; and

Assess and recommend appropriate action in response to the Deloitte report to satisfy itself of the auditor's independence.

Adopt and monitor implementation and compliance with the Company's Non-Audit Services Policy, which addresses approval requirements and the limited circumstances in which Deloitte or other service providers may be retained for non-audit services.

Confirm the scope of audits to be performed by Deloitte and any internal audit service provider, monitor progress and review results. Review fees and expenses charged by Deloitte and any party retained to provide internal audit services.

On an annual basis, discuss with Deloitte its internal quality control procedures, material issues raised in quality control or peer review and any inquiries by governmental or professional authorities regarding the firm's independent audits of other clients.

Review significant findings or unsatisfactory internal audit reports or audit problems or difficulties encountered by Deloitte, and monitor management's response to such findings.

Provide oversight and discuss with management, internal auditors and Deloitte, the adequacy and effectiveness of the Company's overall risk assessment and risk management process.

Review its performance and Charter at least annually and make recommendations to the Board of Directors for approval and adoption of its Charter.

Review regularly and consider the Company's environmental, safety and health reserves.

Review expense accounts of senior executives.

Update the Board of Directors on a regular basis with respect to matters coming to its attention that may have a significant impact on the Company's financial condition or affairs and the Company's compliance with legal or regulatory requirements and the performance and independence of Deloitte and the internal audit function.

Review major issues regarding accounting principles and financial statement presentations, significant changes to the Company's selection or application of accounting principles and major issues relating to the Company's internal controls including any

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specifically required steps to correct identified major internal control issues. The Audit Committee also reviews management or Deloitte's analyses regarding significant financial reporting issues and judgments made in preparing financial statements including analyses of alternative GAAP methods as well as the effect of regulatory and accounting initiatives and off-balance sheet structures, if any, on the Company's financial statements.

Review all material related party transactions prior to initiation of the transaction and make recommendations to the Board of Directors for approval or disapproval.

In conjunction with the Board of Directors, evaluate the qualifications of its members and its own performance on an annual basis.

Meet separately, on a regular basis, with Deloitte, internal auditors, and members of management, as well as privately as a Committee.

Establish policies regarding the Company's employment and retention of current or former employees of Deloitte or outsourced internal auditor.

With respect to complaints concerning accounting, internal accounting controls or auditing matters:

Review and approve procedures for receipt, retention and treatment of complaints received by the Company; and

Establish procedures for the confidential, anonymous submission of complaints to the Audit Committee.

Establish levels for payment by the Company of fees to Deloitte and any advisors retained by the Audit Committee.

Receive regular reports from the Chief Executive Officer, Chief Financial Officer and from the Company's disclosure control committee representative on the status of the Company's disclosure controls and related certifications, including disclosure of any material weaknesses or significant deficiencies in the design or operation of internal controls and any fraud that involves management or other employees with a significant role in internal controls.

Prepare the Report of the Audit Committee for the Company's Proxy Statement.

The Board of Directors has identified Ralph F. Hake as the audit committee financial expert.

Independence

The Board of Directors has determined that each member of the Audit Committee meets the independence standards set out in the Board's Corporate Governance Principles and its Audit Committee Charter and the requirements of the New York Stock Exchange currently in effect and Rule 10A-3 of the Exchange Act. The Board of Directors has evaluated the performance of the Audit Committee consistent with the regulatory requirements.

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A copy of the Audit Committee Charter is available on the Company's website <http://www.itt.com/responsibility/governance/audit/>. The Company will provide, free of charge, a copy of the Audit Committee Charter to any shareholder, upon request to the Secretary of ITT.

Compensation and Personnel Committee

2008 Compensation and Personnel Committee Members are:

Linda S. Sanford, Chair
Curtis J. Crawford
Ralph F. Hake
Frank T. MacInnis

Meetings in 2008: 5

The Committee's primary objective is to establish a competitive executive compensation program that clearly links executive compensation to business performance and shareholder return, without excessive enterprise risk.

Responsibilities:

Approve and oversee administration of the Company's employee compensation program including incentive plans and equity based compensation plans.

Evaluate senior management and Chief Executive Officer performance, evaluate enterprise risk and other risk factors with respect to compensation objectives, set annual performance objectives for the Chief Executive Officer and approve individual compensation actions for the Chief Executive Officer and officers at the vice president level and above, as well as certain other selected positions.

Oversee the establishment and administration of the Company's benefit programs.

Select, retain and determine the terms of engagement for independent compensation and benefits consultants and other outside counsel, as needed, to provide independent advice to the Committee with respect to the Company's current and proposed executive compensation and employee benefit programs. In 2008 and prior years, the Committee obtained such advice.

Oversee and approve the continuity planning process and review with the full Board of Directors, which provides final approval.

Regularly report to the Board of Directors on compensation, benefits, continuity and related matters.

Prepare the Compensation Committee Report for the Company's Proxy Statement.

Review regularly and consider the Company's Inclusion & Diversity strategy and the effectiveness of related programs and policies.

Review its performance and Charter at least annually and make recommendations to the Board of Directors for approval and adoption of its Charter.

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More detail regarding the processes and procedures used to determine executive compensation is found in the Compensation Discussion and Analysis starting on page 35.

Independence

The Board of Directors has determined that each member of the Compensation and Personnel Committee meets the independence standards set out in the Board's Corporate Governance Principles and its Compensation and Personnel Committee Charter and the requirements of the NYSE currently in effect.

A copy of the Compensation and Personnel Committee Charter is available on the Company's website <http://www.itt.com/responsibility/governance/compensation/>. The Company will provide, free of charge, a copy of the Compensation and Personnel Committee Charter to any shareholder, upon request to the Secretary of ITT.

Corporate Responsibility Committee

2008 Corporate Responsibility Committee Members are:

John J. Hamre, Chair
Linda S. Sanford
Markos I. Tambakeras

Meetings in 2008: The Corporate Responsibility Committee did not meet in 2008 as the responsibilities of that Committee were addressed by the full Board during its meetings.

Responsibilities:

- Review and make recommendations concerning the Company's roles and responsibilities as a good corporate citizen.
- Review and consider major claims and litigation involving the Company and its subsidiaries.
- Regularly assess the adequacy and effectiveness of the Company's Code of Corporate Conduct and review any violations of the Code.
- Review its performance and Charter at least annually and make recommendations to the Board of Directors for approval and adoption of its Charter.

The Board of Directors has determined that each member of the Corporate Responsibility Committee meets the independence standards set out in the Board's Corporate Governance Principles and Company By-laws.

A copy of the Corporate Responsibility Committee Charter is available on the Company's website <http://www.itt.com/responsibility/governance/corporate-responsibility/>. The Company will provide, free of charge, a copy of the Corporate Responsibility Committee Charter to any shareholder, upon request to the Secretary of ITT.

Nominating and Governance Committee

2008 Nominating and Governance Committee Members are:

John J. Hamre, Chair
Curtis J. Crawford
Paul J. Kern
Markos I. Tambakeras

Meetings in 2008: 3

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Responsibilities:

Develop, annually review, update and recommend to the Board of Directors corporate governance principles for the Company.

In the event it is necessary to select a new chief executive officer, lead the process for candidate evaluation, consideration and screening. The full Board of Directors has the final responsibility to select the Company's chief executive officer.

Evaluate and make recommendations to the Board of Directors concerning the composition, governance and structure of the Board.

Make recommendations to the Board of Directors concerning the qualifications, compensation and retirement age of Directors.

Administer the Board of Directors' annual evaluation process.

Review and recommend to the full Board matters and agenda items relating to the Company's Annual Meeting of shareholders.

Review the form of Annual Report to Shareholders, Proxy Statement and related materials.

Review the Company's business continuity and disaster recovery programs and plans.

Review the Company's communication and advertising program and other activities involving community relations, major charitable contributions and promotion of the Company's public image.

Determine desired Board and Director skills and attributes and conduct searches for prospective board members whose skills and attributes reflect those desired for the Board of Directors.

Identify, evaluate and propose nominees for election to the Board of Directors.

Make recommendations to the Board of Directors concerning the appointment of Directors to Board Committees and the selection of Board Committee Chairs.

Evaluate and make recommendations regarding senior management requests for approval to accept membership on outside boards.

Review regularly and consider the Company's programs and policies for effecting compliance with laws and regulations involving the environment, safety and health.

Provide oversight and discuss with management, internal auditors and Deloitte the adequacy and effectiveness of the Company's insurance programs.

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Review and consider the Company's policies and efforts with respect to compliance with government contracts, international laws and regulations and export controls.

Review its performance and Charter at least annually and make recommendations to the Board of Directors for approval and adoption of its Charter.

As described on pages 19 to 20 the Nominating and Governance Committee will consider shareholder nominees for election to the Company's Board who meet the qualification standards. (See Section II.5 of the Nominating and Governance Charter at <http://www.itt.com/responsibility/governance/nominating/>).

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Independence

The Board of Directors has determined that each member of the Nominating and Governance Committee meets the independence standards set out in the Board's Nominating and Governance Committee Charter, its Corporate Governance Principles and the requirements of the New York Stock Exchange currently in effect. A copy of the Nominating and Governance Committee Charter is available on the Company's website (<http://www.itt.com/responsibility/governance/nominating/>). The Company will provide, free of charge, a copy of the Nominating and Governance Committee Charter to any shareholder, upon request to the Secretary of ITT.

Strategy and Finance Committee

2008 Strategy and Finance Committee Members are:

Markos I. Tambakeras, Chair
Christina A. Gold
John J. Hamre
Paul J. Kern
Surya N. Mohapatra

Meetings in 2008: 4

Responsibilities: Receive periodic updates on global macroeconomic issues.

Review and consider the Company's:

- Strategic plans
- Operations excellence performance
- Operating plan
- Capital and capital allocation
- Corporate guarantees
- Acquisition integration
- Pension plan performance, category and asset allocation and ERISA compliance
- Tax compliance, tax planning and related matters
- Hedge transactions and strategies as needed
- Investor relations matters as needed
- Strategic issues
- Significant business acquisitions and divestitures, and other related matters

Dividend policies

Review and assess its performance on an annual basis

Review and approve its Charter at least annually

The Strategy and Finance Committee oversees all areas of strategy and corporate finance to assure the Company maintains adequate financial liquidity and appropriate credit ratings and to assure the Company's strategic initiatives are consistent with the Company's financial and strategic plans. The Board retains the ultimate power and authority with respect to strategic direction and major strategic and financial decisions.

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Independence

The Board of Directors has determined that each member of the Strategy and Finance Committee meets the independence standards set out in the Board's Corporate Governance Principles and the Strategy and Finance Committee Charter.

A copy of the Strategy and Finance Committee Charter is available on the Company's website (<http://www.itt.com/responsibility/governance/strategy-finance/>). The Company will provide, free of charge, a copy of the Strategy and Finance Committee Charter to any shareholder, upon request to the Secretary of ITT.

Special Litigation Committee

On March 27, 2007, the Company reached a settlement relating to an investigation of its ITT Night Vision Division's compliance with the International Traffic in Arms Regulations (ITAR). The settlement included the Company pleading guilty in the United States District Court for the Western District of Virginia to one ITAR violation relating to the improper handling of sensitive documents and one ITAR violation involving making misleading statements. On April 17, 2007, the Company's Board of Directors received a letter on behalf of a shareholder requesting that the Board take appropriate action against the employees responsible for the actions described in the Company's agreements with the United States Attorney's Office for the Western District of Virginia. During the following months, the Board, with the assistance of outside counsel for the Company, engaged in a process of identifying independent counsel to advise it regarding the investigation and the processes required to establish a Special Litigation Committee. In October 2007, the Company created the Special Litigation Committee to oversee the objective, investigative work by independent counsel previously selected to investigate the Night Vision matter and report to the Board with respect to the shareholder letter request. The Special Litigation Committee conducted an investigation with the assistance of independent counsel and concluded in 2008 that no legal actions should be brought by ITT. The members of the Special Litigation Committee are Mr. MacInnis and Dr. Crawford.

The Board of Directors has determined that each member of the Special Litigation Committee meets the independence standards set out in the Board's Corporate Governance Principles.

Meetings of the Board and Committees

During 2008, there were 5 regularly scheduled Board meetings, one telephonic meeting, and 21 meetings of standing Committees. All Directors attended at least 75% of the aggregate of all meetings of the Board and standing Committees on which they served. It is Company practice that all Directors attend the Company's Annual Meeting. For 2009, the Board has scheduled five regular meetings. In conjunction with the regular meetings, those Directors who are not employees of ITT are scheduled to meet privately (without management) following each Board meeting during the year. The Independent Presiding Director presides over these private meetings.

Table of Contents**2008 Non-Management Director Compensation**

The following table represents the 2008 Non-Management Director Compensation expense recognized for financial statement reporting purposes and not the value of awards granted in 2008. As discussed in more detail in the narrative following the table, all Non-Management Directors receive the same cash, stock, and options awards for service as a Non-Management Director (except Mr. Hake as the Audit Committee Chair received an additional \$10,000 cash payment). Mr. Loranger, as an employee Director, does not receive compensation for his Board service. The grant date fair value of stock awards and option awards granted to Non-Management Directors in 2008 is provided in footnote, (c) and (d) to the table. Stock awards are composed of restricted shares and restricted stock units. Option awards are composed of non-qualified stock options.

Name (a)	Fees Earned or Paid in Cash (b) (\$)	Stock Awards (c) (\$)	Option Awards (d) (\$)	Change in Pension Value and Nonqualified Non-Equity Incentive Plan Compensation Earnings			All Other Compensation (g) (\$)	Total (h) (\$)
				(e) (\$)	(f) (\$)	(g) (\$)		
Curtis J. Crawford	90,000	141,308	37,378					268,686
Christina A. Gold	90,000	117,764	37,378					245,142
Ralph F. Hake	100,000	117,764	37,378					255,142
John J. Hamre	90,000	141,308	37,378					268,686
Paul J. Kern(i)	67,500	35,432	4,579					107,511
Raymond W. LeBoeuf(j)		60,399	27,743					88,142
Frank T. MacInnis	90,000	125,975	37,378					253,353
Surya N. Mohapatra(k)	90,000	60,246	12,338					162,584
Linda S. Sanford	90,000	120,793	37,378					248,171
Markos I. Tambakeras	90,000	136,125	37,378					263,503

(b) Fees earned may be paid, at the election of the Director, in cash or deferred cash. Non-Management Directors may irrevocably elect deferral into an interest-bearing cash account or an account that tracks an index of the Company's stock. Mr. Hake received an additional \$10,000 as the Audit Committee Chair.

(c) and (d) Awards reflect the Company's expense recognized for financial statement reporting purposes for the fiscal year ended December 31, 2008 in accordance with FAS123R. The assumptions used in calculating these values may be found in Note 17 to the Consolidated Financial Statements in the Company's 2008 Form 10-K. Non-Management Directors do not receive differing amounts of compensation. The Company's expense recognized for compensation awards varies due to different tenure. For 2008 grants, the grant date fair value for each Non-Management Director restricted stock award is \$90,040 and the grant date fair value for each Director option award is \$37,059.

- (g) All Other Compensation for Non-Management Directors will be disclosed only if perquisites and other personal benefits exceed \$10,000. No Non-Management Directors received perquisites or other personal benefits in excess of \$10,000.
- (i) General Kern was elected a Non-Management Director of the Company, effective August 7, 2008. General Kern received \$67,500 as a pro-rata cash retainer, a pro-rata award of 1,016 of restricted stock units, based on the average of the high and low sales prices per share of ITT common stock on the date of the 2008 Annual Meeting of \$66.45, and a pro-rata award of 2,220 non-qualified stock options with an exercise price of \$66.74, the closing price of ITT common stock on August 7, 2008.
- (j) Mr. LeBoeuf retired from the Board of Directors and did not stand for election at the Company's 2008 Annual Meeting, and was awarded no compensation for the term starting in May 2008. On May 13, 2008, Mr. LeBoeuf's outstanding unvested stock options and restricted stock awards of 2,813 and 6,937 respectively, vested.

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(k) Dr. Mohapatra was elected a Non-Management Director of the Company, effective February 14, 2008.

**Non-Management Director Restricted Common Stock and
Stock Option Awards Outstanding at 2008 Fiscal Year-End**

Non-Management Director Name	Outstanding Restricted Common Stock Awards	Outstanding Stock Option Awards
Curtis J. Crawford	28,502	19,300
Christina A. Gold	21,152	19,300
Ralph F. Hake	8,952	15,740
John J. Hamre	16,796	19,300
Paul J. Kern(1)	1,016	2,200
Raymond W. LeBoeuf(2)		16,340
Frank T. MacInnis	12,452	19,300
Surya N. Mohapatra(3)	1,697	3,640
Linda S. Sanford	9,272	19,300
Markos I. Tambakeras	8,130	19,300

(1) General Kern was elected a Non-Management Director of the Company effective August 7, 2008.

(2) Mr. LeBoeuf retired as a Non-Management Director of the Company effective with the May 2008 Annual Meeting. Effective with Mr. LeBoeuf's retirement, the restriction on 13,249 restricted shares lapsed.

(3) Dr. Mohapatra was elected as a Non-Management Director of the Company effective February 14, 2008.

On May 13, 2008, the Board of Directors approved compensation for Non-Management Directors consistent with allocation recommendations provided by Towers Perrin. As approved, for 2008, Non-Management Directors received total annual compensation valued at approximately \$220,000 when awarded, as follows:

\$90,000 payable at the election of each Non-Management Director in cash or deferred cash. Directors choosing deferred cash payment may irrevocably elect to have the deferred cash deposited into an interest-bearing cash account, at an interest rate determined as of the Company's next Annual Meeting, or deposited into an account that tracks an index of the Company's common stock. No deferred compensation selections provide for preferential treatment for Directors;

2/3 of the remainder in restricted stock units (such restricted stock units payable in shares upon following the Non-Management Director's termination of service on the Board of Directors or on a date selected by the Director); and

1/3 of the remainder in non-qualified stock options (vesting over a three-year period in one-third cumulative installments).

Additionally, the Board of Directors approved (with the Audit Committee Chair abstaining) a supplemental retainer of \$10,000 in cash to be paid to Mr. Hake, the 2008 Audit Committee chair, effective as of the Company's 2008 Annual

Meeting to reflect the significant responsibilities and time commitments associated with leadership of that Committee.

The number of restricted stock units granted in May 2008 to all Non-Management Directors under the Non-Management Director compensation program, adopted in 2003, was determined by dividing \$90,000 by \$66.45, the average of the high and low sales prices per share of ITT common stock on the date of the 2008 Annual Meeting. The resulting number of shares, 1,355, was rounded up to the nearest whole share. Directors receive dividend equivalents on the restricted stock units

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but have no other rights as shareholders with respect to the restricted stock units. Non-Management Director non-qualified stock option grants are priced and awarded on the same day as employee stock options are priced and awarded. The fair value of Non-Management Directors non-qualified stock options granted is calculated using the binomial lattice valuation model. The exercise price of Non-Management Directors non-qualified stock options granted is the closing price on the grant date.

The Compensation and Personnel and Nominating and Governance Committees retained Towers Perrin to review Non-Management Director compensation components and total director compensation paid with director compensation components and total director compensation paid for companies in the S&P® Industrials Index with revenue comparable to ITT. Upon the recommendation of Towers Perrin and after review, the Committees recommended and the full Board approved, an increase in overall Non-Management Director cash compensation to raise Director compensation to a level closer to the median of companies in the S&P® Industrials Index with revenues comparable to ITT. The Board approved Non-Management Director compensation changes to be effective with the Company's 2008 Annual Meeting to increase the cash component of the Non-Management Director compensation to \$90,000 and to continue providing the Audit Chair with an additional \$10,000 cash payment. The components of Non-Management Director compensation are weighted toward restricted stock or restricted stock units and stock option awards to align the interests of Non-Management Directors with shareholders of the Company. The Board of Directors agreed to review Non-Management Director compensation on a biennial basis.

Restricted shares previously awarded under the ITT 1996 Restricted Stock Plan for Non-Management Directors (the 1996 Plan), which preceded the 2003 Plan, and under which restricted shares are still outstanding, provided that each Director's restricted shares are held in escrow and may not be transferred in any manner until one of the following events occurs: