

ITT Corp
Form PRE 14A
March 11, 2011

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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**

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):
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- 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 1, 2010

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 2011 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 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 again 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 makes the proxy distribution process more efficient, less costly and helps 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, broker or trustee 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 are a registered owner of ITT common stock and do not plan to 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 1, 2011

NOTICE OF 2011 Annual Meeting

- Time:** 10:30 a.m. Eastern Time, on Tuesday, May 10, 2011
- Place:** 1133 Westchester Avenue, White Plains, NY 10604-3543
- Items of Business:**
1. Election of the ten nominees named in the attached Proxy Statement as members of the Board of Directors.
 2. Ratification of the appointment of Deloitte & Touche LLP as ITT's Independent Registered Public Accounting Firm for 2011.
 3. Approval of the ITT Corporation 2011 Omnibus Incentive Plan.
 4. Approval of a proposal to amend the Company's Restated Articles of Incorporation to allow shareholders to call special meetings.
 5. To approve, in a non-binding vote, the compensation of our named executive officers.
 6. To determine, in a non-binding vote, whether a shareholder vote to approve the compensation of our named executive officers should occur every one, two or three years.
 7. To vote on a shareholder proposal requesting that the Company amend, where applicable, ITT's policies related to human rights.
 8. To transact such other business as may properly come before the meeting.
- Who May Vote:** You can vote if you were a shareholder at the close of business on March 16, 2011, the record date.
- Annual Report to Shareholders and Annual Report on Form 10-K:** Copies of our 2010 Annual Report on Form 10-K and Annual Report to Shareholders are provided to shareholders.
- Mailing or Availability Date:** Beginning on or about March 1, 2011, this Notice of Annual Meeting and the 2011 Proxy Statement are being mailed or made available, as the case may be, to shareholders of record on March 16, 2011.
- 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
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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. Most shareholders will not receive paper copies of our proxy materials and can vote their shares by following the Internet voting instructions provided on the Notice of Internet Availability of Proxy Materials. If you are a registered owner and requested a paper copy of the proxy materials you can vote your shares by proxy by completing and returning your proxy card or by following the Internet or telephone voting instructions provided on the proxy card. Beneficial owners who received or requested a paper copy of the proxy materials may vote their shares by submitting voting instructions by completing and returning their voting instruction form or by following the Internet or telephone voting instructions provided on the voting instruction form. 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 5 of this proxy and on the proxy card.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on Tuesday, May 10, 2011 at 10:30 a.m. at 1133 Westchester Avenue, White Plains, NY 10604-3543. The Company's 2011 Proxy Statement, 2010 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,

Burt M. Fealing
Vice President and Corporate Secretary

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2011 Proxy Statement

Why did I receive these proxy materials? Beginning on or about March 1, 2011, this Proxy Statement is being mailed or made available, as the case may be, to shareholders who were shareholders as of the March 16, 2011 record date, as part of the Board of Directors' solicitation of proxies for ITT's 2011 Annual Meeting and any postponements or adjournments thereof. This Proxy Statement and ITT's 2010 Annual Report to Shareholders and Annual Report on Form 10-K (which have been furnished to shareholders eligible to vote at the 2011 Annual Meeting) contain information that the Board of Directors believes offers an informed view of ITT Corporation (herein referred to as "ITT" or 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 close of business on March 16, 2011, the 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 29:

1. Election of the ten nominees named in the attached Proxy Statement as members of the Board of Directors.
2. Ratification of the appointment of Deloitte & Touche LLP as ITT's Independent Registered Public Accounting Firm for 2011.
3. Approval of the ITT Corporation 2011 Omnibus Incentive Plan.
4. Approval of a proposal to amend the Company's Restated Articles of Incorporation to allow shareholders to call special meetings.
5. Approval, in a non-binding vote, of the compensation of our named executive officers.
6. Determination, in a non-binding vote, of whether a shareholder vote to approve the compensation of our named executive officers should occur every one, two or three years.
7. A shareholder proposal requesting that the Company amend, where applicable, ITT's policies related to human rights.
8. To transact such other business as may properly come before the meeting.

Information about Voting

How do I vote? If you are registered owner, you can either vote in person at the Annual Meeting or by proxy whether or not you attend the Annual Meeting. If you are a beneficial owner you may vote by submitting voting instructions to your bank, broker, trustee or other nominee. If you are a beneficial owner and your shares are held in a bank or brokerage account you will need to obtain a proxy, executed in your favor, from your bank or broker to be able to vote in person at the Annual Meeting. If you are beneficial owner and your shares are held through any of the ITT savings plans for salaried or hourly employees your shares cannot be voted in person at 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, by calling 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

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that you appoint the three people named on the accompanying proxy card to act as your proxies at the 2011 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.

How does the Board of Directors recommend that I vote on the proposals? The Board of Directors recommends a vote FOR the election of each of the nominees of the Board of Directors (Item 1), FOR the ratification of the appointment of Deloitte & Touche LLP as ITT's Independent Registered Public Accounting Firm for 2011 (Item 2), FOR the approval of the ITT Corporation 2011 Omnibus Incentive Plan (Item 3), FOR the approval to Amend the Company's Restated Articles of Incorporation to Allow Shareholders to Call Special Meetings (Item 4), FOR the approval of the compensation of our named executive officers (Item 5) and ONE YEAR with respect to how frequently a shareholder vote to approve the compensation of our named executive officers should occur (Item 6) and AGAINST the shareholder proposal requesting that the Company amend, where applicable, ITT's policies related to human rights (Item 7).

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, as applicable. 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 is a broker non-vote ? The New York Stock Exchange (NYSE) has rules that govern brokers who have record ownership of listed company stock held in brokerage accounts for their clients who beneficially own the shares. Under these rules, brokers who do not receive voting instructions from their clients have the discretion to vote uninstructed shares on certain matters (discretionary matters) but do not have discretion to vote uninstructed shares as to certain other matters (non-discretionary matters). A broker may return a proxy card on behalf of a beneficial owner from whom the broker has not received instructions that casts a vote with regard to discretionary matters but expressly states that the broker is not voting as to non-discretionary matters. The broker's inability to vote with respect to the non-discretionary matters to which the broker has not received instructions from the beneficial owner is referred to as a broker non-vote. Under current NYSE interpretations, only agenda Item 2, the ratification of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm (Deloitte) is considered a discretionary item. Your broker does not have discretion to vote your shares held in street name on Items 1, 3, 4, 5, 6 or 7, each of which is considered a non-discretionary 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.

There are seven formal items, including the shareholder proposal, 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 2011 Annual Meeting.

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 such By-laws further provide that in uncontested elections, any Director nominee who receives less than a majority of the votes cast shall not be elected. The Company's By-laws

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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, to be elected as a Director of ITT, each of the ten director candidates must receive a majority of votes cast.

Item 2, Item 4, Item 5 and Item 7 of the proposed agenda items require that the votes cast in favor of the proposal exceed the votes cast against the proposal. Item 6 will be determined by which of the options (i.e., every year, every two years, every three years) receives a majority of the votes cast. Item 2, Item 5, Item 6 and Item 7 are advisory in nature and are non-binding. Under current NYSE rules, Item 3 requires the affirmative vote of a majority of the votes cast on the proposal, provided that a majority of the outstanding shares of common stock are voted on the proposal. Abstentions will have no effect on the outcomes of Item 1, Item 2, Item 4, Item 5, Item 6 or Item 7. In addition, broker non-votes will have no effect on the outcomes of Item 1, Item 4, Item 5, Item 6 or Item 7. With respect to Item 3, abstentions are considered votes cast under current NYSE rules and thus will have the same effect as a vote against the proposal and will be counted in determining whether a majority of the outstanding shares of common stock are voted on the proposal. Broker non-votes with respect to Item 3 will have no effect on the outcome of the proposal, assuming a majority of the outstanding shares of common stock are otherwise voted on the proposal.

How many shares of ITT stock are outstanding? As of March 16, 2011, the record date, XXX,XXX,XXX 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, shareholders entitled to cast a majority of votes at the Annual Meeting must be present in person or by proxy.

How do I vote? With respect to agenda Items 1, 2, 3, 4, 5 and 7, you may vote for, against or abstain from voting. With respect to agenda Item 6, you may vote one year, two years, three years, 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 else holds the shares on your behalf. If the shares you own are held in a Morgan Stanley 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.

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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 or hourly 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, 2011, the record date, Wells Fargo Institutional Trust Services, as the trustee for the employee salaried savings plan, held X,XXX,XXX,XXX shares of ITT common stock (approximately 1 % of the outstanding shares) and The Northern Trust Company, as the trustee for the hourly employees savings plans, held XXX,XXX shares of ITT common stock (approximately 0.1 % 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 2011 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 Innisfree M&A Incorporated to help with the solicitation effort. ITT will pay Innisfree M&A Incorporated a fee of \$15,000 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 2012 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 29, 2011 and comply with eligibility requirements and 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 29, 2011 a written notice to that effect; provided, however, in the event that the date of the 2012 Annual Meeting is changed by more than 30 days from the anniversary date of the 2011 Annual Meeting, such notice must be received not later than 120 days calendar days prior to the 2012 Annual Meeting or 10 calendar days following the date on which public announcement of the date of the annual meeting is first made. 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.)

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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 2012 Annual Meeting, you must submit a notice with the name of the candidate on or before November 29, 2011 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 34 to 35 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.)

Internet Availability of Proxy Materials

In accordance with SEC 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, 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.

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 their 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 annual 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 the 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. Consistent with the guidelines, the share ownership levels have been substantially met for most Non-Management Directors and Company officers as of January 31, 2011. Non-Management Directors and Company officers are afforded a reasonable period of time to meet the guidelines. The Company has taken the individual tenure, and Non-Management Directors and corporate officer share ownership levels 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, 2011, 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 72, 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 provides economic linkage to ITT common stock but does not represent actual beneficial ownership of shares.

Stock Ownership of Directors and Executive Officers

Name of Beneficial Owner	Title of Class ITT Common	Amount and Nature of Beneficial Ownership ITT				
		Total Shares Beneficially Owned(1)	Common Stock Shares Owned	Options(2)	Stock Units	Percentage of Class(5)
Steven R. Loranger(3)(4)	Common Stock	1,027,553	305,586	721,967		0.557%
Curtis J. Crawford	Common Stock	60,436	37,535	22,901	1,715	0.033%
Christina A. Gold	Common Stock	49,323	26,422	22,901	1,715	0.027%
Ralph F. Hake	Common Stock	36,312	16,971	19,341	1,715	0.020%
John J. Hamre	Common Stock	47,233	24,332	22,901	1,715	0.026%
Paul J. Kern	Common Stock	10,007	4,926	5,081	1,715	0.005%
Frank T. MacInnis	Common Stock	42,992	20,091	22,901	1,715	0.023%
Surya N. Mohapatra	Common Stock	14,848	7,607	7,241	1,715	0.008%
Linda S. Sanford	Common Stock	50,315	27,414	22,901	1,715	0.027%
Markos I. Tambakeras	Common Stock	40,577	17,676	22,901	1,715	0.022%
Denise L. Ramos	Common Stock	71,618	37,074	34,544		0.039%

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Gretchen W. McClain	Common Stock	160,178	86,295	73,883		0.087%
David F. Melcher	Common Stock	35,451	15,224	20,227		0.019%
Frank R. Jimenez	Common Stock	16,587	7,111	9,476		0.009%
All Directors and Executive Officers as a Group	Common Stock	1,771,184	671,917	1,099,267	15,435	0.960%

- (1) With respect to Mr. Loranger and certain Non-Management Directors, total shares beneficially owned include restricted stock units that have vested but are deferred until a later date.
- (2) More detail on outstanding option awards is provided in the 2010 Outstanding Equity Awards at Fiscal Year-End table at page 79.
- (3) 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 amended and restated, in connection with his employment agreement. Approximately, one-third of the units, 85,342 units, vested on June 28, 2007 approximately, one-third of the units,

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86,265 units, vested on June 28, 2008 and the remaining one-third of the units vested on June 28, 2010. Approximately one-half of the vesting RSUs settle upon the vesting date and the remainder of one-half of the vesting RSUs 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.

- (4) Mr. Loranger received credit for 3,014 restricted stock units as dividends during 2010.
- (5) 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, 2011, all Non-Management Directors and executive officers as a group owned 0.960% 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, LLC(1) 2200 Ross Avenue, 31st Floor Dallas, TX 75201-2761	13,008,379	7.09%

- (1) As reported on Schedule 13G/A dated February 11, 2011, Barrow, Hanley, Mewhinney & Strauss, LLC has sole voting power with respect to 1,059,706 shares, shared voting power with respect to 11,948,673 shares, and sole dispositive power with respect to 13,008,379 shares.

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, 2010, except that Mr. Loranger filed a late Form 5 to report gifts of shares of ITT common stock on two successive dates in 2010 to his

wife's revocable trust.

Proposals to be Voted on at the 2011 Annual Meeting

1. Election of Directors

The Board of Directors has nominated ten individuals for election as Directors at the 2011 Annual Meeting. Each of the nominees is currently serving as a Director of ITT and has agreed to continue

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to serve if elected until his or her retirement, resignation or death. If unforeseen circumstances arise before the 2011 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 2011 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

Director Biographical Information: Mr. Loranger, 59, 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 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 bachelor's and master's degrees in science from the University of Colorado.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. Loranger has extensive operational and manufacturing experience with industrial companies and, in particular, he has intimate knowledge of the Company's business and operations having served as our Chief Executive Officer since 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. He also serves as a Director on the Board of FedEx Corporation, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Mr. Loranger has been a Director of ITT since 2004 and has served as a Director of FedEx Corporation since 2006.

Curtis J. Crawford, Ph.D.

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

Director Biographical Information: Dr. Crawford, 63, is President and Chief Executive Officer of XCEO, Inc. He 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.

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Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Dr. Crawford is an expert on corporate governance and the author of three books on leadership and corporate governance. He has significant experience leading high-technology companies. From April 1, 2002 to March 31, 2003, he served as President and Chief Executive Officer of Onix Microsystems, a 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 has extensive executive experience with AT&T Corporation and IBM Corporation. He also serves on the Board of E.I. DuPont de Nemours and Company, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Dr. Crawford has been a Director of ITT since 1996. He is a Director of E.I. DuPont de Nemours and Company and ON Semiconductor Corporation. Dr. Crawford was previously a Director of Agilysys, Inc. from April 2005 to June 2008.

Christina A. Gold

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

Director Biographical Information: Mrs. Gold, 63, was President and Chief Executive Officer of The Western Union Company, a leading company in global money transfer, from September of 2006 to September of 2010. 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. She serves as a Director of New York Life Insurance, a mutual company. Mrs. Gold is a graduate of Carleton University, Ottawa, Canada.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: As President and Chief Executive Officer of The Western Union Company, Mrs. Gold has extensive experience as the Chief Executive Officer of a public company with wide-ranging global leadership, management, and marketing experience. 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 was recognized in 2003, 2006 and 2008 by *Fortune* magazine as one of America's 50 Most Powerful Women in Business and by *Forbes* magazine on its 100 Most Powerful Women list as No. 56 in 2007, No. 90 in 2008, and No. 76 in 2009. *BusinessWeek* also named her as one of the top 25 U.S. managers in 1996.

Directorships at Public Companies for the Preceding Five Years: Mrs. Gold has been a Director of ITT since 1997. Mrs. Gold has served as Director of The Western Union Company since 2006. Mrs. Gold has also served as a director of New York Life Insurance Company since 2001, a mutual company, and previously served as a Director of Torstar Corporation, a broad-based Canadian media company, providing additional relevant experience.

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Ralph F. Hake

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

Director Biographical Information: Mr. Hake, 62, was Chairman and Chief Executive Officer of Maytag Corporation from June of 2001 to March of 2006. 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.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. Hake has extensive global management and financial experience. He served as Executive Vice President and Chief Financial Officer for Fluor Corporation, an engineering and construction firm from 1999 to 2001. 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. Mr. Hake also served on the Board of Directors for the National Association of Manufacturers and was Chairman of the group's taxation and economic policy group. He also serves as a Director of Owens-Corning Corporation and is non-executive Chairman of Smurfit-Stone Container Corporation, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Mr. Hake has been a Director of ITT since 2002. He has served as a Director of Owens-Corning Corporation since 2006. Mr. Hake was previously a Director of Maytag Corporation from June 2001 through March 2006. He has served as non-executive Chairman of Smurfit-Stone since 2010.

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

Director Biographical Information: Dr. Hamre, 60, 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, a not-for-profit organization chartered to work in the public interest, with expertise in systems engineering, information technology, operational concepts, and enterprise modernization. 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.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Dr. Hamre has extensive strategic and international experience, particularly with respect to defense related businesses. He has achieved recognized prominence in strategic, international and defense fields. Dr. Hamre has also served as a Director in other public companies, including SAIC, Inc. and Oshkosh Corporation, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Dr. Hamre has been a Director of ITT since 2000. He has served as a Director of SAIC, Inc. since 2005 and Oshkosh

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Corporation since 2009. Dr. Hamre was previously a Director of Choicepoint, Inc. from May 2002 through September 2008.

General Paul J. Kern, U.S. Army (Ret.)
Senior Counselor, The Cohen Group

Director Biographical Information: General Kern, 65, has served as a Senior Counselor to the Cohen Group since January 2005. He served as President and Chief Operating Officer of AM General LLC from August of 2008 to January of 2010. 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 CoVant Technologies LLC, and AT Solutions, a subsidiary of CoVant Technologies.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: General Kern has extensive international strategic business and defense-related experience. General Kern has demonstrated leadership and management experience during his 37-year career with the U.S. Army. He is a leading figure on defense transformation, as well as a highly decorated combat veteran, and achieved recognized prominence as a four-star general with the Army. General Kern spearheaded Army efforts to direct supply chain improvement efforts, modernize weapons systems, and maintain field readiness, while still controlling costs. He is also a Director of iRobot Corporation, providing additional relevant experience, and a member of the Defense Science Board and National Academy of Engineering.

Directorships at Public Companies for the Preceding Five Years: General Kern has been a Director of ITT Corporation since August 2008. He has served as a Director of iRobot Corporation since 2006. General Kern was a Director of EDO Corporation from 2005 through 2007. The Company acquired EDO Corporation on December 20, 2007. He was a director of Anteon Corporation from 2005 until 2006 when it was sold to General Dynamics.

Frank T. MacInnis

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

Director Biographical Information: Mr. MacInnis, 64, is currently Chairman of the Board and was Chief Executive Officer of EMCOR Group, Inc. from April of 1994 to January of 2011. He was also President of EMCOR from April 1994 to April 1997. Mr. MacInnis is a Director of The Greater New York Chapter of the March of Dimes, ComNet Communications, LLC and The Williams Companies, Inc. Mr. MacInnis received an undergraduate degree from The University of Alberta and is a graduate of The University of Alberta Law School, Alberta, Canada.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. MacInnis has over 25 years of broad-based experience as a Chief Executive Officer of a leading, international mechanical and electrical construction, energy infrastructure, and facilities

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services provider. Mr. MacInnis provides knowledgeable leadership and insight into the many commercial and defense markets served by the Company and has a strong corporate and finance background. He is also a Director of EMCOR Group, Inc., providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Mr. MacInnis has been a Director of ITT since 2001. Mr. MacInnis has been Chairman of the Board and a Director of EMCOR Group, Inc. since 1994 and a Director of The Williams Companies, Inc. since 1998.

Surya N. Mohapatra, Ph.D.

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

Director Biographical Information: Dr. Mohapatra, 61, 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. Dr. Mohapatra joined Quest Diagnostics as Senior Vice President and Chief Operating Officer in 1999. Dr. Mohapatra earned a bachelor of science degree in electrical engineering from Sambalpur University in India. Additionally, he holds a master of science degree 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.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Dr. Mohapatra has extensive international business experience with a wide-ranging operational and strategic background. He has a strong technical background, with an emphasis on Six-Sigma processes and customer-focused business practices. Prior to joining Quest, 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 is also a Director at Quest Diagnostics Incorporated, a Trustee of the Rockefeller University and a member of the Corporate Advisory Board of Johns Hopkins Carey Business School, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Dr. Mohapatra has been a Director of ITT since February 2008. Dr. Mohapatra has been a Director of Quest Diagnostics Incorporated since 2002 and served as a Director of Vasogen, Inc. from 2002-2006.

Linda S. Sanford

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

Director Biographical Information: Ms. Sanford, 58, was named Senior Vice President, Enterprise 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

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Engineers. She is on the Board of Trustees of St. John's University, Rensselaer Polytechnic Institute and the State University of New York, 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.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Ms. Sanford has extensive global management and operational experience in information technology and high-technology companies. Ms. Sanford has run many large businesses within IBM and currently leads IBM's Enterprise Transformation. In that role, Ms. Sanford is responsible for working to transform core business processes, create an IT infrastructure to support those processes, and help create a culture that recognizes the value of continual transformation. Ms. Sanford has also been named one of the 50 Most Influential Women in Business by *Fortune* Magazine, one of the Top Ten Innovators in the Technology Industry by *Information Week* Magazine, and one of the Ten Most Influential Women in Technology by *Working Woman* Magazine. She is a senior officer in a large publicly-traded company, providing additional relevant experience. In addition, Ms. Sanford's experience in analytics and information technology is particularly relevant for understanding ITT's businesses.

Directorships at Public Companies for the Preceding Five Years: 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

Director Biographical Information: Mr. Tambakeras, 60, 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. He is a trustee of Arizona State University and has served for two years on the President's Council on Manufacturing. 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.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. Tambakeras has strong strategic and global operational industrial experience, having worked in increasingly responsible positions in several manufacturing companies, including leadership positions in South Africa and the Asia-Pacific area. Mr. Tambakeras has an extensive background in international operations, providing experience and skills relevant to the Company's global sales and manufacturing infrastructure. He was previously the Chairman of the Board of Trustees of the Manufacturers Alliance/MAPI, which is the manufacturing industry's leading executive development and business research organization. Mr. Tambakeras is also a Director of Parker Hannifin Corporation, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Mr. Tambakeras has been a Director of ITT since 2001. Previously, Mr. Tambakeras was a Director of Kennametal, Inc. from July 1999 through December 2006. Mr. Tambakeras has served on the Board of Parker Hannifin Corporation since 2005 and served as a Director of the Board of Newport Corporation from May 2008 through December 31, 2009.

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

The Board of Directors has appointed Deloitte & Touche LLP (Deloitte) as ITT s independent registered public accounting firm for 2011. Shareholder ratification is not required for making such appointment for the fiscal year ending December 31, 2011 because the Audit Committee has responsibility for the appointment of our independent registered public accounting firm. The appointment is being submitted for ratification with a view toward soliciting the opinion of shareholders, which opinion will be taken into consideration in future deliberations. No determination has been made as to what action the Board of Directors or the Audit Committee would take if shareholders do not ratify the appointment. Deloitte is 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 2010. The Audit Committee annually reviews and considers Deloitte s performance of the Company s Audit. Performance factors reviewed include Deloitte s:

- independence
- experience
- technical capabilities
- client service assessment
- responsiveness
- financial strength
- industry insight
- PCAOB s 2009 inspection results
- leadership
- non-audit services
- 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 as well as Deloitte s fees and services with Deloitte and Company management. The Audit Committee also determined that any non-audit services (services other than those described in the annual audit services engagement letter) provided by Deloitte were permitted under the rules and regulations concerning auditor independence promulgated by the SEC and rules promulgated by the PCAOB in Rule 3526. Representatives of Deloitte will be present at the 2011 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, 2010 and 2009 represent fees billed by the member firms of Deloitte Touche Tohmatsu, and their respective affiliates.

Fiscal Year Ended	
2010	2009

	(In thousands)	
Audit Fees(1)	\$ 8,423	\$ 8,319
Audit-Related Fees(2)	2,745	1,015
Tax Fees(3)		
Tax Compliance Services	1,448	1,163
Tax Planning Services	501	209
Total Tax Services	1,949	1,372
Other Fees(4)	1,500	
Total	\$ 14,617	\$ 10,706

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(1) Fees for audit services billed in 2010 and 2009 consisted of:

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

Reviews of the Company's quarterly financial statements;

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 2010 and 2009 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 2010 and 2009 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.

(4) Fees for other services consisted of consulting services in connection with the Company's value-based commercial excellence programs.

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.

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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;
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 the assessment and review of internal controls and the 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 outside 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 the ratification of appointment of the Company's Independent Registered Public Accounting Firm.

3. Approval of the ITT Corporation 2011 Omnibus Incentive Plan

We request shareholder approval of the ITT Corporation 2011 Omnibus Incentive Plan (the 2011 Plan). Upon recommendation of our Compensation and Personnel Committee, the 2011 Plan was approved by our Board of Directors at its February 23, 2011 meeting and will become effective upon approval by the Company's shareholders at our 2011 Annual Meeting. The 2011 Plan is intended to replace the ITT Corporation 2003 Equity Incentive Plan (the Prior Plan or the 2003 Plan) on a prospective basis. If the 2011 Plan is approved by our shareholders, the 2011 Plan will

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replace the Prior Plan, on a prospective basis. If the 2011 Plan is not approved by our shareholders, the 2011 Plan will be null and void and the Prior Plan will remain in effect. Awards previously granted under the Prior Plan will remain in effect in accordance with their terms and the terms of the Prior Plan. We currently have no other plan that provides for grants of stock awards to our employees or directors.

A total of 9,200,00 shares of our common stock will be reserved for issuance under the 2011 Plan, plus any shares that remain available for grants of awards under the Prior Plan at the time of the approval of the 2011 Plan, which will be transferred to the 2011 Plan. For this purpose, shares that are subject to outstanding awards under the Prior Plan are not considered available for grants. The 2011 Plan contains a separate limit on the number of shares that can be issued with respect to full value awards, which includes restricted stock, restricted stock units and other awards other than stock options and stock appreciation rights granted with an exercise price at least equal to the fair market value of our shares on the grant date. This separate limit provides that 4,600,000 shares, plus any shares that remain available for full value awards under the Prior Plan will be available for issuance with respect to full value awards. As described in greater detail below, the 2011 Plan also provides that in certain circumstances where no shares are issued with respect to Prior Plan awards, such as upon forfeiture of the award, the shares subject to the Prior Plan award will be added to the 2011 Plan's share reserves. As of December 31, 2010, the Prior Plan had 2,881,070 shares available for future grants of awards of which 1,447,257 could be issued as full value awards.

The following is a summary of the material terms of the 2011 Plan, as amended. The description of the 2011 Plan is qualified in its entirety by the actual provisions of the 2011 Plan, which is attached to this Proxy Statement as Appendix B.

Summary Description of the 2011 Plan

History of Stock Plans. The 2011 Plan is a new plan that replaces, on a prospective basis, the Prior Plan. The Prior Plan was approved by the Board of Directors on March 11, 2003 and became effective upon approval by the shareholders at the 2003 Annual Meeting. On May 13, 2003, the Prior Plan replaced, on a prospective basis, the 2002 ITT Industries Stock Option Plan for Non-Employee Directors, the ITT Industries 1996 Restricted Stock Plan for Non-Employee Directors, and the 1994 ITT Industries Incentive Stock Plan. No new grants may be made from these prior plans.

Administration. The 2011 Plan is administered by the Compensation and Personnel Committee (the Committee) of the Board of Directors, which we refer to in this summary as the committee. The committee interprets the terms and intent of the 2011 Plan and determines who is eligible to receive awards under the 2011 Plan. The committee may adopt rules, regulations and guidelines for administering the 2011 Plan and may delegate administrative duties to one or more of its members or to one or more agents or advisors. Additionally, the committee may, by resolution, authorize one or more of our officers to designate who can receive awards and the size of the awards, except that the committee may not delegate these responsibilities to any officer for awards granted to an employee that is considered one of our elected officers, or to the extent it would unintentionally cause awards not to qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code.

Eligibility. All of our employees and directors and the employees of our subsidiaries and other affiliates are eligible to participate in the 2011 Plan. All employees and all non-employee directors are currently eligible to participate. Because the 2011 Plan provides for broad discretion in selecting participants and in making awards, the total number of persons who will participate in the 2011 Plan and the benefits that will be provided to the participants cannot be determined at this time.

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Stock Available for Issuance Under the 2011 Plan. Subject to adjustment as provided in the 2011 Plan, the number of shares of our common stock reserved for issuance under the 2011 Plan shall be 9,200,000. In addition, (i) any shares remaining available for issuance under the Prior Plan that are not subject to outstanding awards as of the date of approval of the 2011 Plan shall also become available for grant under the 2011 Plan and (ii) any shares related to awards under the 2011 Plan or the Prior Plan that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares, or are settled in cash in lieu of shares, or are exchanged with the committee's permission for awards not involving shares, shall be available again for grant under the 2011 Plan. Notwithstanding the foregoing, (x) upon the exercise of a stock-settled stock appreciation right or net-settled option granted under the 2011 Plan, the number of shares subject to the award (or portion of the award) that is then being exercised shall be counted against the maximum aggregate number of shares that may be issued under the 2011 Plan as provided above, on the basis of one share for every share subject thereto, regardless of the actual number of shares issued upon exercise and (y) any shares withheld (or, with respect to restricted stock, returned) in satisfaction of tax withholding obligations shall be counted as shares issued.

Subject to adjustment as provided in the 2011 Plan, the number of shares of our common stock reserved for issuance of full value awards shall not exceed 4,600,000. In addition, (i) any shares remaining available for issuance of full value awards under the Prior Plan as of the date of approval of the 2011 Plan shall only be available for grant of full value awards under the 2011 Plan and (ii) any shares related to full value awards under the 2011 Plan or the Prior Plan that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares, are settled in cash in lieu of shares, or are exchanged with the committee's permission for awards not involving shares, shall only be available again for grant of full value awards under the 2011 Plan.

Description of Awards Under the 2011 Plan. Stock-based compensation will typically be issued in consideration for the performance of services to us and our subsidiaries and other affiliates. The 2011 Plan provides for a number of forms of stock-based compensation. The committee may award stock options, stock appreciation rights, restricted stock, restricted stock units and other awards as described below.

Stock Options. The committee can award incentive stock options, which are intended to comply with Section 422 of the Internal Revenue Code, or nonqualified stock options, which are not intended to comply with Section 422 of the Internal Revenue Code. The committee determines the terms of the stock options, including the period during which the stock options may be exercised, which may not exceed ten years, and the exercise price of the stock options, which, except with respect to stock options granted outside the United States, may not be less than the fair market value of the underlying shares of common stock on the date the stock option is granted. A nonqualified stock option granted outside the United States may be granted with an exercise price less than the fair market value of the underlying shares of common stock on the date of grant if necessary to comply with local tax laws and regulations. Subject to the specific terms of the 2011 Plan, the committee has discretion to set any additional limitations on stock option grants as it deems appropriate.

Each stock option award agreement sets forth the extent to which the participant will have the right to exercise the stock option following termination of the participant's employment or service as a director. The termination provisions are determined within the discretion of the committee, need not be uniform among all participants and may reflect distinctions based on the reasons for termination of employment or service as a director.

Upon the exercise of a stock option granted under the 2011 Plan, the exercise price is payable in full either in cash or its equivalent, tendering (either by actual delivery or attestation) previously acquired shares having an aggregate fair market value at the time of exercise equal to the exercise

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price, broker-assisted cashless exercise, net exercise, a combination of the foregoing or by any other method approved by the committee in its sole discretion.

Stock Appreciation Rights. The committee may grant stock appreciation rights in tandem with stock options, freestanding and unrelated to options, or any combination of these forms. In any case, the form of payment of a stock appreciation right will be determined by the committee at the time of grant, and may be in shares of common stock, cash, or a combination of the two. If granted other than in tandem, the committee will determine the number of shares of common stock covered by, and the exercise period for, the stock appreciation right.

The 2011 Plan provides that, unless required to comply with applicable foreign laws, a stock appreciation right's base price may not be less than the fair market value of the underlying shares of common stock on the date the stock appreciation right is granted. Stock appreciation rights granted outside the United States may be granted with a base price less than the fair market value of the underlying shares of common stock on the date of grant if necessary to comply with local tax laws and regulations.

Upon exercise of the stock appreciation right, the participant will receive an amount equal to the excess of the fair market value of one share of stock on the date of exercise over the fair market value of one share of the stock on the grant date, multiplied by the number of shares of stock covered by the stock appreciation right exercise. If granted in tandem with an option, a stock appreciation right's exercise period may not exceed that of the option. The participant may exercise a tandem stock appreciation right when the option is exercisable, surrender the option, and receive on exercise an amount equal to the excess of the fair market value of one share of stock on the date we receive the surrender election over the option exercise price, multiplied by the number of shares of stock covered by the stock appreciation right exercise.

Each stock appreciation right award agreement will set forth the extent to which the participant will have the right to exercise the stock appreciation right following termination of the participant's employment or service as a director. The termination provisions will be determined within the discretion of the committee, need not be uniform among all participants and may reflect distinctions based on the reasons for termination of employment or service as a director.

Restricted Stock. The committee is also authorized to award shares of restricted common stock under the 2011 Plan upon such terms and conditions as it may establish. The participants may be required to pay a purchase price for each share of restricted stock granted. The award agreement will specify the period(s) of restriction, the number of shares of restricted common stock granted, such other provisions as the committee determines and/or restrictions under applicable federal or state securities laws. Although participants may have the right to vote these shares from the date of grant, they will not have the right to sell or otherwise transfer the shares during the applicable period of restriction or until satisfaction of other conditions imposed by the committee in its sole discretion. Participants may also receive dividends on their shares of restricted stock and the committee, in its discretion, will determine how such dividends are to be paid.

Each award agreement for restricted stock will set forth the extent to which the participant will have the right to retain unvested restricted stock following termination of the participant's employment or service as a director. These provisions are determined in the sole discretion of the committee, need not be uniform among all shares of restricted stock issued under the 2011 Plan and may reflect distinctions based on reasons for termination of employment or service as a director.

Restricted Stock Units. The committee is also authorized to award restricted stock units under the 2011 Plan upon such terms and conditions as it establishes. The award agreement will specify the period(s) of restriction, the number of restricted stock units granted, such other provisions as the committee determines and/or restrictions under applicable federal or state securities laws. The participants have no voting rights with respect to the restricted stock

units and do not have the

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right to sell or otherwise transfer the units during the applicable period of restriction or until earlier satisfaction of other conditions imposed by the committee in its sole discretion. Participants may receive credit for dividends or dividend equivalents on their restricted stock units and the committee, in its discretion, will determine how such credits for dividends or dividend equivalents on restricted stock units are to be paid.

Each award agreement for restricted stock units will set forth the extent to which the participant will have the right to retain unvested restricted stock units following termination of the participant's employment or service as a director. These provisions will be determined in the sole discretion of the committee, need not be uniform among all awards of restricted stock units issued under the 2011 Plan and may reflect distinctions based on reasons for termination of employment or service as a director.

Other Awards. The committee may grant other awards which may include, without limitation, unrestricted shares, the payment of shares in lieu of cash, the payment of cash based on attainment of performance goals, service conditions or other goals established by the committee and the payment of shares in lieu of cash under other incentive or bonus programs. Payment under or settlement of any such other awards shall be made in such manner at such times and subject to such terms and conditions as the committee may determine.

Performance Measures. The committee may grant awards under the 2011 Plan subject to the attainment of the following performance measures: net earnings, earnings per share, net income (before or after taxes), net sales growth, net operating profit, return measures (including, but not limited to, return on assets, capital, equity, or sales), productivity ratios, expense targets, working capital targets, cash flow (including, but not limited to, operating cash flow and free cash flow), cash flow return on capital, earnings before or after taxes, interest, depreciation and/or amortization, gross or operating margins, margins, operating efficiency, customer satisfaction, employee satisfaction metrics, human resources metrics, share price (including, but not limited to, growth measures and total shareholder return), and Economic Value Added or EVA®.

Performance measures may be measured solely on the company's or an affiliate's performance, on a business unit basis, or a combination thereof. Performance measures may reflect absolute entity performance or a relative comparison of entity performance to the performance of a group of comparator companies, or published or special index that the committee selects. The committee may also compare the company's stock price to various stock market indices. The committee may provide in any award that any evaluation of performance may include or exclude any of the following events that occur during a performance period: (1) asset write-downs, (2) litigation or claim judgments or settlements, (3) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (4) any reorganization and restructuring programs, (5) extraordinary nonrecurring items as described in Accounting Standards Codification (ASC) 225-30, (formerly) Accounting Principles Board Opinion No. 30, and/or in management's discussion and analysis of financial condition and results of operations appearing in the Company's annual report to shareholders for the applicable year, (6) acquisitions or divestitures, and (7) foreign exchange gains and losses.

Subject to the individual and 2011 Plan limits described herein, the number of performance-based awards granted to any participant in any year is determined by the committee in its sole discretion. The committee may reduce, but not increase, the value of a performance-based award.

Individual Limits. The maximum number of shares with respect to which stock options may be granted to an individual during any one year is 3,500,000. The maximum number of shares with respect to which stock appreciation rights may be granted to any individual during any one year is 3,500,000. The maximum number of shares of restricted stock or restricted stock units that may be granted to an individual during any one year is 700,000. The maximum number of shares with respect to which other awards that may be granted to an individual during any one year is 700,000 and the maximum cash that may be payable with respect to other awards granted to an individual

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in any one year is \$15,000,000. The maximum aggregate value of cash dividends or dividend equivalents that any individual may receive pursuant to awards in any one year shall not exceed \$6,000,000.

Adjustment, Change of Control and Amendments. The 2011 Plan provides for appropriate adjustments in the number and nature of shares of common stock subject to outstanding awards, the number of shares available for awards under the 2011 Plan, the individual award limits in the 2011 Plan and the exercise price of options and the grant price of stock appreciation rights, in the event of restructuring events and certain other events that change the value of our stock, such as a merger, reorganization, stock split, stock dividend, recapitalization through a large, non-recurring cash dividend, spin off or other similar event. The committee specifies in each Participant's award agreement the treatment of outstanding awards upon a change of control.

The 2011 Plan may be modified or amended by the committee at any time and for any purpose which the committee deems appropriate, except that no amendment can adversely affect any outstanding awards in a material way without the affected award holder's consent. Except for adjustments made in connection with events described in the prior paragraph, the exercise price of stock options and the grant price of stock appreciation rights issued under the 2011 Plan may not be reduced without the approval of shareholders.

Nontransferability. Unless otherwise determined by the committee and provided in a participant's award agreement, awards may not be assigned or transferred by a 2011 Plan participant except by will or by the laws of descent and distribution, and any stock option or stock appreciation right is exercisable during a participant's lifetime only by the participant or by the participant's guardian or legal representative. Nonqualified stock options and stock appreciation rights may not be transferred for value or consideration.

Section 162(m). Section 162(m) of the Internal Revenue Code places a limit of \$1 million on the amount we may deduct in any one year for compensation paid to our principal executive officer and our other three most highly-compensated executive officers other than our principal financial officer. There is, however, an exception to this limitation for certain performance-based compensation. Awards made pursuant to the 2011 Plan may constitute performance-based compensation that is not subject to the deductibility limitation of Section 162(m). To qualify for this exception, the shareholders must approve the material terms of the performance goals of the plan. To continue to qualify for this exception, the shareholders must reapprove the material terms of the performance goals of the plan every five years.

Approval of the 2011 Plan by our shareholders at the 2011 Annual Meeting will be deemed to constitute approval of the material terms of the performance goals under the 2011 Plan for purposes of Section 162(m). The material terms of the performance goals include the persons eligible to participate in the 2011 Plan, as described under the heading "Eligibility" above, the performance measures upon which performance awards will be based, as described under the heading "Performance Measures" above, and the maximum shares or cash value of awards that may be granted to an individual in any one year, as described under the heading "Individual Limits" above.

Duration of the 2011 Plan. Subject to the committee's right to terminate the 2011 Plan earlier, the 2011 Plan will remain in effect until all shares subject to the 2011 Plan have been purchased or acquired.

Federal Income Tax Consequences. The following discussion covers some of the United States federal income tax consequences with respect to awards that may be granted under the 2011 Plan. It is a brief summary only. Participants should consult with their tax advisors for a complete statement of all relevant federal tax consequences. This summary does not describe state, local, or foreign tax consequences of an individual's participation in the 2011 Plan.

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Federal Income Tax Consequences Participants

Options. A plan participant will not recognize income for federal income tax purposes when incentive stock options are granted or exercised. If the participant disposes of shares acquired by exercise of an incentive stock option either before the expiration of two years from the date the options are granted or within one year after the issuance of shares upon exercise of the incentive stock option, the participant will recognize in the year of disposition: (a) ordinary income, to the extent the lesser of either (1) the fair market value of the shares on the date of option exercise, or (2) the amount realized on disposition, exceeds the option exercise price; and (b) capital gain, to the extent the amount realized on disposition exceeds the fair market value of the shares on the date of option exercise. If the shares are sold after expiration of these holding periods, the participant generally will recognize capital gain or loss equal to the difference between the amount realized on disposition and the option exercise price.

The exercise of an incentive stock option may result in alternative minimum tax liability. The excess of the fair market value of the shares purchased on exercise of an incentive stock option over the exercise price paid for such shares is considered alternative minimum taxable income for alternative minimum tax purposes.

With respect to nonqualified stock options, the participant will recognize no income upon grant of the option, and, upon exercise, will recognize ordinary income to the extent of the excess of the fair market value of the shares on the date of option exercise over the stock option exercise price.

Upon a subsequent disposition of the shares received from the exercise of an option, the participant generally will recognize capital gain or loss to the extent of the difference between the fair market value of the shares at the time of exercise and the amount realized on the disposition.

Stock Appreciation Rights. The recipient of a grant of stock appreciation rights will not realize taxable income on the date of such grant. Upon the exercise of a stock appreciation right, the recipient will realize ordinary income equal to the amount of cash or fair market value of stock received.

Restricted Stock. A participant holding restricted stock will, at the time the shares vest, realize ordinary income in an amount equal to the fair market value of the shares and any cash received at the time of vesting. Dividends paid to the participant on the restricted stock during the restriction period will generally be ordinary income to the participant.

Restricted Stock Units. A participant holding restricted stock units will, at the time the units vest, realize ordinary income in an amount equal to the fair market value of the shares and any cash received at the time of vesting.

Other Awards. The tax consequences of other awards will depend upon the terms and conditions of such awards as determined by the committee. However, a participant holding other awards will generally realize ordinary income in an amount equal to the fair market value of the shares or cash received at the time of payment of shares or cash.

Federal Tax Consequences ITT Corporation. In general, we will receive an income tax deduction at the same time and in the same amount as the amount which is taxable to the employee as ordinary income, except to the extent prohibited by Section 162(m) of the Internal Revenue Code. To the extent a participant realizes capital gains, as described above, we will not be entitled to any corresponding deduction for federal income tax purposes.

Section 162(m). As described above, under Section 162(m) of the Internal Revenue Code, compensation paid to covered employees in excess of \$1 million for any taxable year generally is not deductible by us unless such compensation qualifies as performance-based compensation, which requires, among other things, that the compensation is paid pursuant to a plan, the material terms of which have been approved by our shareholders.

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Generally, a covered employee under Section 162(m) means the principal executive officer and our three other highest compensated executive officers, other than our principal financial officer, as of the last day of the applicable taxable year.

It is presently anticipated that the committee will at all times consist of outside directors as required for purposes of Section 162(m), and that the committee will take the effect of Section 162(m) into consideration in structuring plan awards.

Future Plan Benefits. The future benefits that will be received under the plan by particular individuals or groups are not determinable at this time.

The Board of Directors Recommendation

Under the laws of the State of Indiana, this matter is approved if 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. However, under NYSE rules, the 2011 Plan must be approved by a majority of the votes cast and the number of votes cast must represent more than 50% of all the shares entitled to vote. For purposes of the approval required under the New York Stock Exchange rules, abstentions will have the effect of a vote against this agenda item and broker non-votes will have no effect, except to the extent they impact whether the 50% of all common shares entitled to vote test has been satisfied. For the purpose of determining whether the number of votes cast represents more than 50% of the shares of common stock entitled to vote, abstentions will count as votes cast and broker non-votes will not count as votes cast. Approval of the material terms of the plan for purposes of Section 162(m) requires the affirmative vote of a majority of votes cast. For this purpose, abstentions will have the same effect as a vote against this proposal and broker non-votes will have no effect.

The Board of Directors recommends you vote FOR approval of the ITT Corporation 2011 Omnibus Incentive Plan.

Equity Compensation Plan Information

The following sets forth information concerning the shares of common stock that may be issued under equity compensation plans as of December 31, 2010.

(a) Number of Securities to be Issued Upon Exercise of Outstanding Options,	(b) Weighted-Average Exercise Price of	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
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Plan Category	Warrants and Rights (Thousands)	Outstanding Options, Warrants and Rights	(Thousands)
Equity Compensation Plans Approved by Security Holders(1)(2)	9,116(3)	\$ 42.54(4)	2,881(5)
Equity Compensation Plans Not Approved by Security Holders			
Total	9,116	\$ 42.54	2,881

(1) Equity compensation plans approved by shareholders include the 1994 ITT Incentive Stock Plan, the 1996 Plan, the 2002 ITT Stock Option Plan for Non-Employee Directors and the 2003 Plan.

(2) Since the approval of the 2003 Plan, no additional awards, including awards of restricted stock, will be granted under the other plans referred to in footnote (1) above. Under the 2003 Plan

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currently in effect, restricted stock and restricted stock units may be awarded up to a maximum aggregate grant of 300,000 shares or units in any one plan year to any one participant.

- (3) The weighted-average remaining contractual life of the total number of outstanding options was 3.1 years as disclosed in Note 17 to the Consolidated Financial Statements in the Company's 2010 Annual Report on Form 10-K.
- (4) The weighted-average exercise price pertains only to 7,405 outstanding options and not to outstanding restricted stock units, which by their nature have no exercise price.
- (5) As of December 31, 2010, the number of shares available for future issuance under the 2003 Plan with respect to restricted stock and restricted stock unit awards was approximately 1,447,257, which is included in the 2,881,070 disclosed above.

4. Approval of a Proposal to Amend the Company's Restated Articles of Incorporation to Allow Shareholders to Call Special Meetings

The Company's Board of Directors has proposed, and recommends that shareholders approve at the Annual Meeting, an amendment to the Company's Restated Articles of Incorporation that would add a right permitting the Secretary of the Company to call a special meeting upon the written request of shareholders of record having, as of the date of the special meeting request, least thirty-five (35%) percent of the voting power (excluding derivative securities from the determination of satisfaction of such threshold in order to ensure that the shareholder(s) seeking to call a special meeting have a true economic interest in the Company) of the outstanding shares of capital stock of the Company, provided that such special meeting request complies and is in accordance with the By-laws of the Company. Currently, only the entire Board of Directors (by majority vote) and the Chairman of the Board may call a special meeting of shareholders. The Board of Directors believes that establishing an ownership threshold of, and economic interest in, at least 35% of the voting power of the outstanding shares of capital stock of the Company in order for shareholders to request a special meeting strikes an appropriate balance between enhancing the rights of shareholders and seeking to avoid the situations that could arise if the threshold were set too low. The Board of Directors believes that calling a special meeting of shareholders is not a matter to be taken lightly. We believe that a special meeting should only be held to cover special or extraordinary events when fiduciary, strategic, significant transactional or similar considerations dictate that the matter be addressed on an expeditious basis, rather than waiting until the next annual meeting. Organizing and preparing for a special meeting involves significant management commitment of time and focus, and imposes substantial legal, administrative and distribution costs. We believe that setting the threshold too low carries a risk of frequent meeting requests, potentially covering agenda items relevant to particular constituencies as opposed to shareholders generally, with significant cost, management distraction and diversion of other corporate resources. We therefore have concluded that a lower threshold would not be in the best interest of shareholders and accordingly have chosen to propose a threshold percentage of 35%.

The Board of Directors has also adopted corresponding amendments to Company's By-laws, which amendments shall become effective upon the approval by shareholders of this proposal to amend the Company's Restated Articles of Incorporation. The By-laws amendment contains procedural and informational requirements for shareholders to call a special meeting and modifies the advance notice requirements for shareholder nominations of directors and the proposal of other business, as applicable, at an annual or special meeting of shareholders (whether called by shareholders or otherwise). The procedural and informational requirements for shareholders to call a special meeting include: no business may be conducted at the special meeting except as set forth in the Company's notice of meeting; no shareholder special meeting request shall be effective if received by the Secretary during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting; a special meeting request shall not be effective if an annual or special meeting of

shareholders that included an identical or substantially similar item of business (similar business) was held not more than 120 days before the special meeting request was received by the Secretary; a special meeting will not be held if the Board of

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Directors or the Chairman of the Board has called or calls for an annual or special meeting to be held within 90 days after the special meeting request is received by the Secretary and the business to be conducted at such meeting included the similar business; any reduction in the aggregate net long position of the requesting shareholder below the 35% threshold following the delivery of the special meeting request shall constitute a revocation of such special meeting request; and in determining whether the 35% threshold has been satisfied where multiple requests are submitted, only requests dated and delivered to the Secretary within 60 days of the earliest dated special meeting request and identifying substantially the same purpose or purposes of the special meeting and substantially the same matters proposed to be acted on at the meeting will be considered together. The modifications to the advance notice requirements for shareholder nominations of directors and the proposal of other business, as applicable, at an annual or special meeting of shareholders (whether called by shareholders or otherwise) include that the requesting shareholder's notice must include information as to the business proposed to be conducted, and/or as to each nominee (as applicable), as to the shareholder giving notice and the beneficial owner, if any, on whose behalf the proposal is made and a description of any agreement, arrangement or understanding (including without limitation any swap or other derivative or short position, profits interest, hedging transaction, borrowed or loaned shares, any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, or other instrument), the intent or effect of which may be (x) to transfer any of the economic consequences of ownership of any security of the Company, (y) to increase or decrease the voting power with respect to shares of any class or series of capital stock of the Company and/or (z) to provide the opportunity to profit or share in any profit derived from, or to otherwise benefit economically from, or to mitigate any loss resulting from, the value (or any increase or decrease in the value) of any security of the Company, as well as require periodic updating and supplementing of the information required to be provided so such information shall be true and correct as of the record date for the meeting and date that is 15 days prior to the meeting or any adjournment or postponement thereof. In addition, a shareholder seeking to submit a director nomination or propose other business at an annual meeting must provide notice to the Company not less than 90 days nor more than 120 days prior to the date of the Company's Proxy Statement released to shareholders in connection with the previous year's annual meeting; provided however, that if no annual meeting was held in the previous year or the date of the annual meeting is changed by more than 30 days from the anniversary date of the previous year's annual meeting, notice by the shareholder must be received not earlier than 120 days prior to such meeting and not later than the later of 90 days prior to such meeting or 10 days following the date on which the public announcement of the date of the meeting is first made. In the case of a special meeting called by the Company for the purpose of electing directors, shareholder notice must be given not earlier than 120 days prior to such special meeting and not later than 90 days prior to such special meeting or 10 days following the date on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

The descriptions of the amendments to the Restated Articles of Incorporation and By-laws are qualified in their entirety by the complete text of the proposed amendment to the Restated Articles of Incorporation, set forth in [Appendix C](#), and corresponding the amendment to the By-laws, set forth in [Appendix D](#).

Under the laws of the state of Indiana, this proposal is approved if the votes cast in favor of the proposal exceed the votes cast against, and the amendment to the Restated Articles of Incorporation will become effective upon the filing of Articles of Amendment to the Restated Articles of Incorporation with the Secretary of State of the State of Indiana substantially in the form attached as [Appendix C](#), which the Company intends to do promptly after the Annual Meeting, at which time the corresponding amendments to the By-laws, substantially in the form attached as [Appendix D](#), would be come effective.

The Board of Directors recommends you vote FOR the proposal to amend the Company's Restated Articles of Incorporation to allow shareholders to call special meetings.

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5. Non-Binding Advisory Vote to Ratify Named Executive Officers Compensation

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act)) and the related rules of the SEC, we are including in these proxy materials a separate resolution subject to shareholder vote to approve, in a non-binding vote, the compensation of our named executive officers as disclosed on pages 50 to 101. The text of the resolution in respect of Proposal No. 5 is as follows:

RESOLVED, that the compensation paid to the Company's named executive officers as disclosed in this Proxy Statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, compensation tables, and any related narrative discussion, is hereby APPROVED.

In considering their vote, shareholders may wish to review with care the information on the Company's compensation policies and decisions regarding the named executive officers presented in Compensation Discussion and Analysis on pages 50 to 101.

In particular, shareholders should note that the Company's Compensation Committee bases its executive compensation decisions on the following:

alignment of executive and shareholder interests by providing incentives linked to earnings per share performance, revenue, free cash flow and return on invested capital;

the ability for executives to achieve long-term shareholder value creation without undue business risk;

creating a clear link between an executive's compensation and his or her individual contribution and performance;

the extremely competitive nature of the industries in which we operate, whether in manufacturing or defense, and our need to attract and retain the most creative and talented industry leaders; and

comparability to the practices of peers in the industries that we operate in and other comparable companies generally.

While the results of the vote are advisory in nature the Board of Directors intends to carefully consider the results of the vote.

The Board of Directors recommends that you vote FOR the approval of the compensation of our named executive officers.

6. Non-Binding Advisory Vote on the Frequency of Shareholder Votes on Executive Compensation

In accordance with the requirements of Section 14A of the Exchange Act (which was added by the Dodd-Frank Act) and the related rules of the SEC, we are including in these proxy materials a separate resolution subject to shareholder vote to recommend, in a non-binding vote, whether a non-binding shareholder vote to approve the compensation of our named executive officers (that is, votes similar to the non-binding vote in Proposal No. 5) should occur every one, two or three years.

In considering their vote, shareholders may wish to review with care the information presented in connection with Proposal No. 5 on page 26, as well as the information on the Company's compensation policies and decisions regarding the named executive officers presented in Compensation Discussion and Analysis on pages 50 to 101.

We believe that a non-binding shareholder vote on executive compensation should occur every year. We believe the one-year frequency provides the highest level of accountability and communication by enabling the non-binding shareholder vote to approve the compensation of our named

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executive officers to correspond with the most recent executive compensation information presented in our proxy statement for our annual meetings of shareholders.

We believe that providing the vote only every two or three years may prevent shareholders from communicating in a meaningful and coherent manner. For example, we may not know whether the shareholder vote approves or disapproves of compensation for the reporting period or the compensation for previous reporting periods or both. As a result, the implications of the shareholder vote could be difficult to discern.

If the non-binding vote on executive compensation will occur every year, a resolution subject to a non-binding shareholder vote to approve the compensation of our named executive officers will be presented in the proxy materials for the 2012 Annual Meeting of shareholders.

For the reasons stated above, the Board of Directors is recommending a vote for a one-year frequency for the non-binding shareholder vote to approve the compensation of our named executive officers. Note that shareholders are not voting to approve or disapprove the recommendation of the Board of Directors with respect to this proposal. Instead, each proxy card provides for four choices with respect to this proposal: a one, two or three year frequency or shareholders may abstain from voting on the proposal.

Your vote on this proposal will be non-binding on us and the Board of Directors, and it will not be construed as overruling a decision by us or the Board of Directors. Your vote will not create or imply any change to our fiduciary duties or create or imply any additional fiduciary duties for us or the Board of Directors. However, the Board of Directors values the opinions that our shareholders express in their votes and will consider the outcome of the vote when making future decisions on the inclusion of such proposals in the proxy materials as it deems appropriate.

The Board of Directors recommends that you vote ONE YEAR with respect to how frequently a non-binding shareholder vote to approve the compensation of our named executive officers should occur.

7. Shareholder Proposal Requesting the Company Amend, where Applicable, ITT's Policies Related to Human Rights

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 votes cast 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 following Mercy Investment Services, Inc., 2039 North Geyer Road St. Louis, MO 63131-3332; the Presbyterian Church (USA), 100 Witherspoon Street Louisville, KY 40202-1396; and The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America, 815 Second Avenue New York, NY 10017-4503 (collectively, the Proponents), which shareholders hold 56, 54, and 8,100 shares respectively.

2011 ITT Shareholder Resolution on Human Rights Policy

Whereas, ITT, as a global corporation, faces increasingly complex problems as the international social, and cultural context within which ITT operates changes.

Companies confront ethical and legal challenges arising from diverse cultures and political and economic contexts or operating in regions of conflict. Today, management must address issues that include human rights, workers' right to organize and bargain collectively, non-discrimination in the workplace, environmental protection and sustainable community development. ITT does business in countries with human rights challenges including Colombia, Egypt and

Israel.

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Several international conventions, declarations and treaties contain internationally recognized standards designed to protect human rights – civil, political, social environmental, cultural and economic – that should be reflected in ITT’s policies. These include the Universal Declaration of Human Rights, the Fourth Geneva Convention, the Hague Conventions, International Covenant on Civil and Political Rights, the core labor standards of the International Labor Organization, and the International Covenant on Economic, Cultural and Social Rights. We believe these documents will help inform ITT’s revision of its human rights policy. Also, United Nations resolutions and reports of special rapporteurs on countries where ITT does business, and Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights, adopted by the United Nations Sub-Commission on the Promotion and Protection of Human Rights in August 2003 are helpful, as are the comprehensive human rights policies designed for global companies found in Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance, developed by an international group of religious investors.

As companies formulate comprehensive policies, we believe significant commercial advantages may accrue through enhanced corporate reputation, improved employee recruitment and retention, improved community and stakeholder relations and reduced risk of adverse publicity, consumer boycotts, divestment campaigns and lawsuits.

Resolved, shareholders request the Board to amend, where applicable, within ten months of the 2011 Annual Meeting, ITT’s policies related to human rights that guide its international and U.S. operations to conform more fully with international human rights and humanitarian standards.

SUPPORTING STATEMENT

We believe ITT’s current human rights policies are limited in scope, and provide little or no guidance for determining business relationships where our products or services could entangle the company in human rights violations. Although we do not recommend inclusion of any specific provision of the above-named documents in the revised policy, we believe ITT’s policies should reflect a more comprehensive understanding of human rights.

ITT should be able to assure shareholders that employees are treated fairly and with dignity wherever they work in the global economy. Going beyond internal practices, however, ITT should also provide similar assurance that its products and services are not used in human rights violations. One element of ensuring compliance is utilization of independent monitors composed of respected local human rights, religious and non-governmental organizations that know local culture and conditions. We believe the adoption of a more comprehensive human rights policy, coupled with implementation, enforcement and independent monitoring, will assure shareholders of ITT’s global leadership.

Board of Directors Statement in Opposition of the Proposal

The proposal requests that, within ten months of the 2011 annual meeting of shareholders, the Company revise its policies related to human rights that guide its international and U.S. operations in order to have them conform more fully with international human rights and humanitarian standards.

ITT has long supported human rights through its business practices and directly through a specific provision in its Code of Conduct. ITT has also included such rights in its ITT Management System (IMS) which incorporates ITT’s values. Over the past several years, ITT has continued to demonstrate progress in benchmarking and communicating its commitment to human rights. This commitment was further evidenced this year with the adoption of this Policy on Human Rights.

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Beginning in 2008, ITT's Vision and Values instituted a systematic company-wide commitment to respect, responsibility and integrity:

ITT Management System Values: Respect, Responsibility, & Integrity

Our values are our compass we strive to do the right thing always

Treat others fairly and courteously

Sustain a culture of diversity and inclusion

This Vision and Values are fundamental to our culture and they are codified in ITT's Code of Conduct which is available on the Company's web site at <http://www.itt.com/citizenship/governance/code-conduct/>. To ensure awareness of ITT's leadership commitments, the Company conducts training for its employees. This training reinforces the responsibility of all employees to act ethically and report possible violations.

In 2009, ITT modified its Code of Conduct to add specific language regarding its commitment to Human Rights:

Code of Conduct:

We are committed to conducting our business in a manner that respects and advances human rights based on our values and operating principles. We uphold human rights at all times and in all locations, regardless of local business customs.

In particular, we are committed to:

Providing safe and secure conditions for those working on our Company's behalf

Protecting the environment

Following all applicable wage and hour laws

Strictly prohibiting human trafficking and the use of child or forced labor, including prison or bonded labor

Treating each other fairly and equitably

To ensure that every facet of our business upholds these standards, we seek business partners who share these commitments.

Then, in 2010, ITT conducted further researched and benchmarked corporate best practices on Human Rights. Based on the results from that external benchmarking effort, and with a desire to continuously improve ITT's ethical culture, in 2011, ITT implemented a specific Policy on Human Rights. The policy, which operates in conjunction with ITT's Vision and Values and Code of Conduct, applies to all ITT employees worldwide and to ITT's global supply chain partners within ITT's sphere of influence.

ITT's newly implemented Policy on Human Rights states that ITT fully supports and adheres to the principles of both the Universal Declaration of Human Rights and the United Nations Global Compact where we operate. Furthermore, the policy states that ITT will work to identify and do business with supply chain partners who aspire to conduct their

business in a similar manner. To underscore this commitment, the Company has published the full policy on its web site at <http://www.itt.com/citizenship/employees/>.

For the foregoing reasons, the Board of Directors believes that ITT has substantially fulfilled the request of this shareholder proposal with the adoption of its Policy on Human Rights.

The Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.

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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 and the Company has appropriate risk management structures in place;

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 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/corporate-governance/governance-controls/>. A copy of the Corporate Governance Principles will be provided, free of charge, to any shareholder upon request to the Secretary of ITT Corporation.

Leadership Structure. The Board has considered the leadership structure of the Company and has determined that the chief executive officer of the Company shall also serve as the Chairman of the Board of Directors. The Board feels that the combination of these two roles provides efficient and effective use of resources and that Mr. Loranger's position as Chief Executive Officer gives him unique and valuable insight into matters addressed by the Board of

Directors. The Board also believes that it is important for long-term and short-term strategies to be controlled by a singular executive. However, the Board of Directors appoints an Independent Presiding Director, whose position is described more fully at Section III.G of the Board's Corporate Governance Principles, <http://www.itt.com/responsibility/governance/principles/>. The Independent Presiding Director is available to address issues or concerns raised by other Non-Management Directors, senior executives or major shareholders not readily addressable directly to the Chairman, President and Chief Executive Officer. The Independent Presiding Director advises the Chairman, President and Chief Executive Officer and communicates any issues or concerns to or from the full Board and

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the Chairman, President and Chief Executive Officer. The Independent Presiding Director assists the Chairman, President and Chief Executive Officer in developing appropriate schedules and agendas for Board and Committee meetings, and acts 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 Independent Presiding Director chairs regular meetings of the independent directors, including presiding over executive sessions. The Board of Directors has selected Ralph F. Hake as its Independent Presiding Director, to serve a one-year term, expiring in May 2011.

Communication with the Board of Directors. Interested parties may contact the Independent Presiding Director, all outside Directors as a group, the entire Board of Directors, a committee of the Board of Directors or an individual Director by submitting a letter to the desired recipient in a sealed envelope labeled Independent Presiding Director, Outside Directors, Board of Directors, or with the name of the Board committee or a specific director. This sealed envelope 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, beneficial owners of five percent or more of the Company's common stock or other securities and any immediate family of such persons. The Company's policy generally groups transactions with related persons into two categories: (1) transactions requiring the approval of the Nominating and Governance Committee and (2) certain transactions, including ordinary course transactions below established financial thresholds, that are deemed pre-approved by the Nominating and Governance. The Nominating and Governance Committee is deemed to have pre-approved certain transactions identified in Item 404(a) of Regulation S-K that are not required to be disclosed even if the amount involved exceeds \$120,000. In addition, any transaction with another company at which a related person's only relationship is as an employee (other than an executive officer), director and/or beneficial owner of less than 10% of that company's shares is deemed pre-approved; provided, however, that with respect to directors, if a 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 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, such transaction shall be reviewed by the Nominating and Governance Committee and not considered appropriate for automatic pre-approval. Regardless of whether a transaction is deemed pre-approved, all transactions in any amount are required to be reported to the Nominating and Governance Committee. Subsequent to the adoption of the written procedures above, the Company has followed these procedures regarding all reportable related person transactions. The Company's Related Person Transaction Policy is posted on the Company's website at:

<http://www.itt.com/responsibility/governance/related-party-transactions/>.

Code of Corporate Conduct. The Company has also adopted the ITT Code of Corporate Conduct which applies to all employees, including 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 the Code of Corporate Conduct on its website for the Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, its Non-Management Directors and other executive officers. In addition, the Company will disclose within four business days any substantive changes in or waivers of the Code of Corporate Conduct granted to our Chief Executive Officer, Chief

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Financial Officer and Principal Accounting Officer, or persons performing similar functions, by posting such information on our website as set forth above rather than by filing a Form 8-K. A copy of the Code of Corporate Conduct will be provided, free of charge, to any shareholder upon request to the Secretary of ITT Corporation.

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 NYSE independence standards 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 \$120,000 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).
- (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

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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 additional 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 additional standards described above.

In February 2011, 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 2011 Annual Meeting. In particular, the Board evaluated the amount of sales to ITT or purchases by ITT with respect to companies where any of the Directors serve or served as an executive officer or director.

With respect to General Kern, in 2009 the Nominating and Governance Committee and Board of Directors considered the employment by the Company of General Kern's brother-in-law noting the employment was in a non-executive capacity. The Board further noted that neither General Kern nor the family member was aware of the relationship of the other to the Company prior to employment. After consideration, the Board determined that the employment matter did not alter General Kern's status and he continues as an independent director. In no other 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% of 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 1% of the consolidated gross revenues of any

non-profit organization.

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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.

Board and Committee Roles in Oversight of Risk. The Board of Directors has primary responsibility for overall risk oversight, including the Company's risk profile and management controls. The Audit Committee of the Board monitors the Company's operational and regulatory risk management and risk assessment program, including all risk mitigation processes. The General Internal Auditor, who has responsibility for assessing, monitoring and auditing the Company's global risk profile, reports directly to the Audit Committee and reports on a functional basis to the Chief Financial Officer. The Strategy and Finance Committee of the Board monitors financial liquidity and financing risk. The Compensation and Personnel Committee reviews and assesses compensation and incentive program risks to ensure that the Company's compensation programs encourage innovation and balance appropriate business risk and rewards without encouraging risk-taking behaviors which may have a material adverse effect on the Company. The Compensation and Personnel Committee structures compensation so that unnecessary or excessive risk-taking behavior is discouraged and behaviors correlated with long-term value creation are encouraged. The Board, Audit, Compensation and Personnel and Strategy and Finance Committees receive regular reports with respect to the Company's risk profile and risk management controls.

Compensation Committee Interlocks and Insider Participation. None of the members of the Compensation and Personnel Committee during fiscal year 2010 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. The Nominating and Governance Committee desires that the Board of Directors be diverse in terms of its viewpoints, professional experience, education and skills as well as race, gender and national origin. In addition, ITT's corporate governance principles state that as part of the membership criteria for new Board members, individuals must possess such attributes and experiences as are necessary to provide a broad range of personal characteristics including diversity, management skills, and technological, business and international experience. On an annual basis, as part of its self-evaluation, the Board of Directors assesses whether the mix of directors is appropriate for the Company. In addition, the Nominating and Governance Committee assesses the effectiveness of these criteria by referring to the criteria when it periodically assesses the composition of the Board. The Board of Directors actively seeks to consider diverse candidates for membership on the Board when it has a vacancy to fill and includes diversity as a specific factor when conducting any search. As part of its process in identifying new candidates to join the Board of the Directors, the Nominating and Governance Committee considers whether and to what extent the candidate's attributes and experiences will individually and collectively complement the existing Board, recognizing that ITT's businesses and operations are diverse and global in nature. Currently, the Board consists of ten directors. Out of the ten directors, two are female, one is African American and one is from India. The directors come from diverse professional backgrounds, including technology, financial and manufacturing industries as well as governmental and non-governmental agencies.

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

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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 ensure 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. Each candidate is 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. The Nominating and Governance Committee will consider director nominees recommended by shareholders for election to the Company's Board who meet the qualification standards described above. (See Section II.E. 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 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

2010 Audit Committee Members are:

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

Meetings in 2010: 10

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

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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 effectiveness, and meet regularly and privately with the General Auditor.

Annually request from Deloitte a formal written statement delineating all relationships between Deloitte and the Company, consistent with the PCAOB Rule 3526.

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

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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 outside 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, including all risk mitigation processes.

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 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

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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.

Although more than one member of the Board of Directors satisfies the requirements of the audit committee financial expert, 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 NYSE currently in effect and Rule 10A-3 of the

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Exchange Act. The Board of Directors has evaluated the performance of the Audit Committee consistent with the regulatory requirements.

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

2010 Compensation and Personnel Committee Members are:

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

Meetings in 2010:

6

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 2010 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.

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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.

More detail regarding the processes and procedures used to determine executive compensation is found in the Compensation Discussion and Analysis starting on page 50.

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

2010 Corporate Responsibility Committee Members are:

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

Meetings in 2010: 1

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.

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Nominating and Governance Committee

2010 Nominating and Governance Committee Members are:

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

Meetings in 2010: 4

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.

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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.

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 34 to 35 the Nominating and Governance Committee will consider director nominees recommended by shareholders for election to the Company's Board who meet the qualification standards. (See Section II.E of the Nominating and Governance Charter at <http://www.itt.com/responsibility/governance/nominating/>).

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 NYSE 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

2010 Strategy and Finance Committee Members are:

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

Meetings in 2010: 4

Responsibilities: Receive periodic updates on global macroeconomic issues.

Review and consider the Company's:

Strategic plans;

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Operations excellence performance;

Operating plan;

Capital structure, including stock repurchases, debt offerings and financing, and dividends;

Corporate guarantees;

Acquisition integration;

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Pension plan performance, style and asset allocation and ERISA compliance;

Tax compliance, tax planning and related matters;

Commodity hedge transactions and strategies;

Investor relations matters;

Risk assessment with respect to financial liquidity and financing; and

Strategic issues.

Review and recommend for approval significant business acquisitions and divestitures, and other related matters.

Review and assess its performance on an annual basis.

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

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

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 April 17, 2007, ITT'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 violations at our Night Vision facility described above. During 2007 and 2008, the Company also received notice of four shareholder derivative actions each filed in the U.S. District Court for the Southern District of New York. On July 10, 2010, the Court granted ITT's Motion to Terminate the proceedings. This matter is concluded.

Meetings of the Board and Committees

During 2010, there were five regularly scheduled Board meetings and 25 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. All Directors attended the Company's 2010 Annual Meeting. For 2011, 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

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management) following each Board meeting during the year. The Independent Presiding Director presides over these private meetings.

2010 Non-Management Director Compensation

The following table represents the 2010 grant date fair value of Non-Management Director compensation computed in accordance with GAAP. 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. MacInnis 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 2010 is provided in footnotes (c) and (d) to the table. Stock awards are composed of restricted stock units. Option awards are composed of non-qualified stock options.

Name (a)	Fees Earned or			All Other Compensation (g) (\$)	Total (h) (\$)
	Paid in Cash (b) (\$)	Stock Awards (c) (\$)	Option Awards (d) (\$)		
Curtis J. Crawford	90,000	90,192	40,126		220,318
Christina A. Gold	90,000	90,192	40,126		220,318
Ralph F. Hake	90,000	90,192	40,126		220,318
John J. Hamre	90,000	90,192	40,126		220,318
Paul J. Kern	90,000	90,192	40,126		220,318
Frank T. MacInnis	100,000	90,192	40,126		230,318
Surya N. Mohapatra	90,000	90,192	40,126		220,318
Linda S. Sanford	90,000	90,192	40,126		220,318
Markos I. Tambakeras	90,000	90,192	40,126		220,318

(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. MacInnis received an additional \$10,000 as the Audit Committee Chair.

(c) and (d) Awards reflect the grant date fair value computed in accordance with Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) Topic 718, Stock Compensation. Non-Management Directors do not receive differing amounts of equity compensation, the grant date fair value for restricted stock units was \$52.59 and was determined on May 11, 2010, the date of the Company's Annual Meeting. The grant price reflects the closing price of ITT stock on the grant date. The grant date fair value of non-qualified stock options was \$14.03, determined on March 5, 2010, the date on which Director stock options were awarded. The assumptions used in calculating these values may be found in Note 17, Long-Term Incentive Employee Compensation, to the Consolidated Financial Statements in the Company's 2010 Form 10-K.

(g) No perquisites or other personal benefits were received by Non-Management Directors.

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The following table represents restricted common stock and stock options outstanding as of December 31, 2010 for Non-Management Directors. Outstanding restricted common stock awards include unvested restricted stock units and vested but deferred restricted stock units.

**Non-Management Director Restricted Common Stock and
Stock Option Awards Outstanding at 2010 Fiscal Year-End**

Non-Management Director Name	Outstanding Restricted Common Stock Awards	Outstanding Stock Option Awards
Curtis J. Crawford	22,160	26,130
Christina A. Gold	23,026	26,130
Ralph F. Hake	10,466	22,570
John J. Hamre	14,224	26,130
Paul J. Kern	3,910	9,050
Frank T. MacInnis	13,314	26,130
Surya N. Mohapatra	3,412	10,470
Linda S. Sanford	8,591	26,130
Markos I. Tambakeras	4,674	26,130

On May 10, 2010, the Board of Directors approved compensation for Non-Management Directors consistent with allocation recommendations provided by Towers Watson, a compensation consultant the Nominating and Governance Committee had retained in 2008. 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. As approved in 2008, for payment in 2010, 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;

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

Approximately 1/3 of the remainder provided in the form of non-qualified stock options (vesting over a three-year period in one-third installments on the anniversary of the date of grant).

Additionally, the Board of Directors approved (with the Audit Committee Chair abstaining) a supplemental retainer of \$10,000 payable in cash to Mr. MacInnis, the 2010 Audit Committee Chair, effective as of the Company's 2010 Annual Meeting to reflect the significant responsibilities and time commitments associated with leadership of the Audit Committee.

The number of restricted stock units granted in May 2010 to all Non-Management Directors under the Non-Management Director compensation program, adopted in 2003, was determined by dividing \$90,000 by \$52.48, the average of the high and low trading prices per share of ITT common stock on May 11, 2010, the date of the 2010 Annual Meeting. The resulting number of restricted stock units, 1,715, was rounded up to the nearest whole unit. Directors receive dividend equivalents on the restricted stock units 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 grant date fair value of Non-Management Directors non-qualified stock options is calculated using a binomial

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lattice valuation model. The exercise price of Non-Management Directors' non-qualified stock options granted reflects the closing price of ITT common stock on March 5, 2010, the grant date.

The Board of Directors typically reviews Non-Management Director compensation on a biennial basis. They last reviewed Non-Management Director compensation in 2010. In 2010, the Nominating and Governance Committee retained Pay Governance LLC, a compensation consulting firm to assist with a review of compensation for Non-Management Directors. As part of its review, Pay Governance compared Non-Management Director compensation components and total director compensation paid with director compensation components and total director compensation paid for those companies in the S&P® Industrials Companies with revenue comparable to ITT as referenced in Appendix A. Upon the recommendation of Pay Governance and after review, the Nominating and Governance Committee and the Compensation and Personnel Committee recommended, and the full Board of Directors 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 Companies with revenues comparable to ITT. The Board approved Non-Management Director compensation changes to be effective with the Company's 2011 Annual Meeting to increase the cash component of the Non-Management Director compensation to \$100,000, to provide for an equity retainer solely in the form of restricted stock units of \$150,000 and to provide the Audit Committee Chair with an additional cash payment in the amount of \$15,000.

Restricted shares previously awarded under the ITT 1996 Restricted Stock Plan for Non-Employee 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:

the fifth anniversary of the grant of the shares unless extended as described below;

the Director retires at age 72;

there is a Change of Control of the Company;

the Director becomes disabled or dies;

the Director's service is terminated in certain specified, limited circumstances; or

any other circumstance in which the Compensation and Personnel Committee believes, in its sole discretion, that the purposes for which the grants of restricted stock were made have been fulfilled and, as such, is consistent with the intention of the Plan.

Under the 2003 Plan and the 1996 Plan, Non-Management Directors may choose to extend the restriction period for not more than two successive five-year periods, or until six months and one day following the Non-Management Director's termination from service from the Board under certain permitted circumstances.

The 1996 Plan also provided if a Director ceased serving on the Board under any other circumstances, shares with respect to which the 1996 Plan restrictions have not been lifted would be forfeited. Under the 2003 Plan, the period of restriction for restricted stock granted is five years. The Compensation and Personnel Committee may determine that a Director, whose service from the Board is terminated, has fulfilled the purpose for which the grant of restricted stock was made and lift the restriction for all or a portion of restricted stock grants. Time and form of payment for outstanding restricted stock received after 2004, as well as elections to have the cash retainer deferred after 2004, have been modified, with the consent of each Director, to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A). Section 409A is an Internal Revenue Code section that deals specifically with

non-qualified deferred compensation plans and provides requirements and rules for timing of deferrals and distributions under those plans.

ITT reimburses Directors for expenses they incur to travel to and from Board, Committee and shareholder meetings and for other Company-business related expenses (including travel expenses

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of spouses if they are specifically invited to attend an event for appropriate business purposes). Such travel may include use of the Company aircraft, if available and approved in advance by the Chairman of the Board and Chief Executive Officer. Director airfare is reimbursed at no greater than first-class travel rates.

Indemnification and Insurance. As permitted by its By-laws, ITT indemnifies its Directors to the full extent permitted by law and maintains insurance to protect the Directors from liabilities, including certain instances where it could not otherwise indemnify them. All Directors are covered under a non-contributory group accidental death and dismemberment policy that provides each of them with \$1,000,000 of coverage. They may elect to purchase additional coverage under that policy. Non-Management Directors also may elect to participate in an optional non-contributory group life insurance plan that provides \$100,000 of coverage.

Report of the Audit Committee

The following Report of the Audit Committee does not constitute soliciting material and the Report should not be deemed filed or incorporated by reference into any other previous or future filings by the Company under the Securities Act of 1933 or the Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

Role of the Audit Committee. The Audit Committee of the Board of Directors provides oversight on matters relating to the Company's financial reporting process and ensures that the Company develops and maintains adequate financial controls and procedures, and monitors compliance with these processes. This includes responsibility for, among other things:

- determination of qualifications and independence of Deloitte & Touche LLP (Deloitte);
- the appointment, compensation and oversight of Deloitte in preparing or issuing audit reports and related work;
- review of financial reports and other financial information provided by the Company, its systems of internal accounting and financial controls, and the annual independent audit of the Company's financial statements;
- oversight and review of procedures developed for consideration of accounting, internal accounting controls and auditing-related complaints;
- review of risk assessment and risk management processes on a company-wide basis; and
- adoption of and monitoring the implementation and compliance with the Company's Non-Audit Services Policy.

The Audit Committee also has oversight responsibility for confirming the scope and monitoring the progress and results of internal audits conducted by the Company's internal auditor. The Audit Committee discussed with the Company's internal auditors and Deloitte the plans for their respective audits. The Audit Committee met with the internal auditors and Deloitte, with and without management present, and discussed results of their examinations, their evaluation of the Company's internal controls, and the Company's financial reporting.

The Company's management has primary responsibility for the financial statements, including the Company's system of disclosure and internal controls. The Audit Committee may investigate any matter brought to its attention. In that regard, the Audit Committee has full access to all books, records, facilities and personnel of the Company and the Audit Committee may retain outside counsel, auditors or other independent experts to assist the Committee in performing its responsibilities. Any individual may also bring matters to the Audit Committee confidentially or on an anonymous basis, by submitting the matter in a sealed envelope addressed to the Audit Committee to the Corporate

Secretary who then forwards the sealed envelope to the Audit Committee.

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Sarbanes-Oxley Act of 2002 (SOX) Compliance. The Audit Committee has responsibility for monitoring all elements of the Company s compliance with Sections 302 and 404 of SOX relating to internal control over financial reporting.

Audit Committee Charter. The Board of Directors has adopted a written charter for the Audit Committee, which the Board of Directors and the Audit Committee review, and at least annually update and reaffirm. The Charter sets out the purpose, membership and organization, and key responsibilities of the Audit Committee.

Composition of the Audit Committee. The Audit Committee comprises five members of the Company s Board. The Board of Directors has determined that each Audit Committee member meets the independence standards set out in the Audit Committee Charter and in the Company s Corporate Governance Principles and the requirements of the New York Stock Exchange currently in effect, including the audit committee independence requirements of Rule 10A-3 of the Exchange Act. No member of the Audit Committee has any relationship with the Company that may interfere with the exercise of independence from management and the Company. All members of the Audit Committee, in the business judgment of the full Board of Directors, are financially literate and several have accounting or related financial management expertise.

Regular Review of Financial Statements. During 2010, the Audit Committee reviewed and discussed the Company s audited financial statements with management. The Audit Committee, management and Deloitte reviewed and discussed the Company s unaudited financial statements before the release of each quarter s earnings report and filing on Form 10-Q, and the Company s audited financial statements before the annual earnings release and filing on Form 10-K.

Communications with Deloitte. The Audit Committee has discussed with Deloitte the matters required to be discussed by required to be discussed by the statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T (SAS 61). These discussions included all matters required by SAS 61, including Deloitte s responsibilities under generally accepted auditing standards in the United States, significant accounting policies and management judgments, the quality of the Company s accounting principles and accounting estimates. The Audit Committee met privately with Deloitte four times during 2010.

Independence of Deloitte. Deloitte is directly accountable to the Audit Committee and the Board of Directors. The Audit Committee has received the written disclosures and the letter from the Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte s communications with the Audit Committee concerning independence and has discussed with Deloitte their independence from management and the Company, any disclosed relationships and the impact of those relationships on Deloitte s independence.

Recommendation Regarding Annual Report on Form 10-K. In performing its oversight function with regard to the 2010 financial statements, the Audit Committee relied on financial statements and information prepared by the Company s management. It also relied on information provided by the internal audit staff as well as Deloitte. The Audit Committee reviewed and discussed with management the Company s audited financial statements as of and for the year ended December 31, 2010. Based on these discussions, and the information received and reviewed, the Audit Committee recommended to the Company s Board of Directors that the financial statements be included in the 2010 Annual Report on Form 10-K.

This report is furnished by the members of the Audit Committee.

Frank T. MacInnis, Chair

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

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Compensation Committee Report

The following Report of the Compensation and Personnel Committee does not constitute soliciting material and the Report should not be deemed filed or incorporated by reference into any other previous or future filings by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report by reference therein.

ITT's Compensation and Personnel Committee approves and oversees administration of the Company's executive compensation program and senior leadership development and continuity programs. The Committee's primary objective is to establish a competitive executive compensation program that clearly links executive compensation to business performance and shareholder return. The Compensation and Personnel Committee considers appropriate risk factors in structuring compensation to discourage unnecessary or excessive risk-taking behaviors and encourage long-term value creation.

Recommendation Regarding Compensation Discussion and Analysis

In performing its oversight function during 2010 with regard to the Compensation Discussion and Analysis prepared by management, the Compensation and Personnel Committee relied on statements and information prepared by the Company's management. It also relied on information provided by Pay Governance, LLC, the compensation consultant to the Committee. The Committee reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management. Based on this review and discussion, the Compensation and Personnel Committee recommended to the Company's Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for 2010 and this Proxy Statement.

This report is furnished by the members of the Compensation and Personnel Committee.

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

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Compensation Discussion and Analysis

ITT's Compensation and Personnel Committee (the Committee) approves and oversees administration of the Company's executive compensation program. In this Compensation Discussion and Analysis, we explain the Committee's executive compensation philosophy and objectives for each of the Named Executive Officers (NEOs), describe all elements of the Company's executive compensation program, and explain why the Committee selected each compensation component.

Executive Summary NEO Compensation

1. NEO Compensation Tied to Internal Business Performance and Long-Term Share Price Performance

ITT's compensation philosophy ties a substantial portion of NEO compensation to internal business performance and share price performance. Compensation design for NEOs is structured to achieve long-term shareholder value creation without undue business risk. If internal business performance or share price performance falls below identified thresholds, at-risk compensation is reduced or not paid at all.

2. Pay for Performance Compensation At Risk

The Company's share price performance significantly lagged industrial companies in the TSR Performance Index (the S&P Industrials Companies, without consideration of utility and transportation service industries, (described herein as the TSR Performance Index)) for the 2008-2010 Total Shareholder Return (TSR) award performance period (TSR is an element of NEO compensation based on relative share price performances over three years). The payout for TSR awards for this performance period was zero, as the Company's total shareholder return over the three year measurement period, ending December 31, 2010 was ranked at the 25.89 percentile relative to the TSR Performance Index. This rank was below the threshold required for any payment.

In 2010, the Company's internal business performance was strong, resulting in an Annual Incentive Plan (AIP) payout above target (where target is 100%). The AIP award is an element of NEO compensation which rewards annual operating performance and earnings per share appreciation. The 2010 AIP emphasized total Company performance and collaboration among businesses.

Stock option and restricted stock grants directly tie NEO compensation to absolute share price performance.

3. Changes in the NEO Compensation Program

Tax reimbursements for financial counseling have been eliminated for financial counseling and tax preparation associated with the 2011 tax year. No compensating salary increase will be provided.

In 2011, the Committee determined to award restricted stock units, rather than restricted stock. This change was made to provide more uniform tax treatment on a global basis.

4. Good Pay Practices

The Committee has adopted an executive compensation program which reflects best pay practices in light of the business needs of the Company.

Recoupment Policy (p. 67)

Officer Stock Ownership Guidelines (p. 6)

Policy Prohibits Speculation in Company Stock (p. 52)

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Independent Compensation Consultant Advises the Committee (p. 52)

No Repricing or Replacing of Stock Options Without Shareholder Approval (p. 63)

Business Risk and Compensation. In 2010, as in past years, the Committee evaluated risk factors associated with the Company's businesses in determining compensation structure and pay practices. The structure of the Board of Director Committees facilitates this evaluation and determination. During 2010, the Chair of the Committee was a member of the Audit Committee and the Audit Committee Chair was a member of the Committee. This membership overlap provides insight into the Company's business risks and affords the Committee access to the information necessary to consider the impact of business risks on compensation structure and pay practices. Further, overall enterprise risk is considered and discussed at Board meetings, providing additional important information to the Committee. The Chairman, President and Chief Executive Officer and Chief Financial Officer attend those portions of the Committee meetings at which plan features and design configurations of the Company's annual and long-term incentive plans are considered and approved.

Compensation across the enterprise is structured so that unnecessary or excessive risk-taking behavior is discouraged. Further, total compensation for senior officers is heavily weighted toward long-term compensation consistent with the Company's compensation philosophy, which is focused on long-term value creation. This long-term weighting discourages behaviors that encourage short-term risks.

Named Executive Officer Compensation. Annual base salary, annual incentives, and long-term incentives provide the foundation for NEO compensation. Additional compensation components, which supplement these foundational components, are also discussed in this Compensation Discussion and Analysis.

The following table summarizes representative compensation components or policies and relevant risk mitigation factors:

Compensation Component or Policy	Risk Mitigation Factor
Salary	Based on market rates. Provides stability and minimizes risk-taking incentives.
Annual Incentive Plan	AIP design emphasizes overall performance and collaboration among business Groups. The Company's Fluid Technology, Motion & Flow Control and Defense & Information Solutions businesses are each a business segment or (Group). AIP components focus on metrics which encourage operating performance and earnings per share appreciation. AIP design tailored to meet unique business considerations for Corporate headquarters and business Groups.

Individual AIP components and total AIP awards are capped.

Long-Term Incentive Awards

The three-year vesting threshold for senior vice presidents and the Chief Executive Officer and seven and ten-year option terms encourage long-term behaviors.

Restricted Stock or Restricted Stock Units

Restricted stock or restricted stock units generally vest after three years.

Stock Options

Stock options vest after three years for the Chief Executive Officer and for senior vice presidents and in one-third cumulative annual installments after the first, second and third anniversary of the grant date for other optionees. Options awarded in 2010 and 2011 and options awarded prior to 2005 expire ten years after the grant date. Options awarded between 2005 and 2009 expire seven years after the grant date.

Total Shareholder Return Awards

The TSR long-term award is based on three-year share price performance and encourages behaviors focused on long-term goals, while discouraging behaviors focused on short-term risks.

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Compensation Component or Policy	Risk Mitigation Factor
Perquisites	Limited perquisites are based on competitive market data. The Committee has determined that tax reimbursements related to financial counseling and tax preparation for senior executives associated with the 2011 tax year will be eliminated. No salary increase will be provided to offset the elimination of tax reimbursement.
Severance and Pension benefits	Severance and pension benefits are in line with competitive market data.
Recoupment Policy	Provides mechanism for senior executive compensation recapture in certain situations involving fraud or willful misconduct.
Officer Share Ownership Guidelines	Company officers are required to own Company shares or share equivalents up to 5x base salary, depending on the level of the officer (discussed on page 6). Share ownership guidelines align executive and shareholder interests. Company policy prohibits speculative trading in and out of ITT securities, including prohibitions on short sales and leverage transactions, such as puts, calls, and listed and unlisted options.

Independent Compensation Consultant: In 2010, the Committee retained Pay Governance LLC as its independent compensation consultant (Pay Governance or the Compensation Consultant). Pay Governance LLC provides independent consulting services in support of the Compensation and Personnel Committee s charter, the material terms of which are described beginning on page 39. The Compensation Consultant also provided independent consulting services in support of the Nominating and Governance Committee charter including providing competitive data on director compensation, the material terms of which are described beginning on page 41.

The Compensation Consultant s engagement leader provided objective expert analyses, assessments, research and recommendations for executive and non-executive employee compensation programs, incentives, perquisites, and compensation standards. In this capacity, the Compensation Consultant provided services that related solely to work performed for and at the direction of the Committee including analysis of material prepared by the Company for the Committee s review. In 2010, the Company s human resources, finance and legal departments supported the work of the Committee, provided information, answered questions and responded to requests. Additionally, the Compensation Consultant provided analyses to the Nominating and Governance Committee and the full Board of Directors on Non-Management Director compensation. The Compensation Consultant provided no other services to the Company during 2010.

Fees for Compensation Consultant:

Services performed that related solely to work performed for, and at the direction of, the Committee or the Nominating and Governance Committee, and analyses of documents prepared by management for the Committee's review during 2010: \$308,460

Other services performed for the Company during 2010: \$0

The Committee annually reviews the Compensation Consultant's independence and engaged in such a review in 2010. Based on that review, the Committee determined the Compensation Consultant was independent. The Committee has sole authority to retain and terminate the Compensation Consultant with respect to compensation matters and the Nominating and Governance Committee has sole authority to retain and terminate the Compensation Consultant with respect to nominating and governance matters.

Our Executive Compensation Program

Overall compensation policies and programs. In 2010, as in past years, the Committee looked to competitive market compensation data for companies comparable to ITT to establish overall policies and programs that address executive compensation, benefits and perquisites. This review included analysis of the Towers Watson Compensation Data Bank (CDB) information provided by the Compensation Consultant. The analyses used a sample of 174 companies from the S&P®

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Industrials Companies that were available in the CDB. The compensation data from these companies were evaluated by the Compensation Consultant for differences in the scope of operation as measured by annual revenue. [Appendix A](#) to this Proxy Statement lists the sample of companies from the S&P® Industrials Companies that were used in the CDB analyses. The Committee believes that these 174 companies most closely reflect the labor market in which ITT competes for talent.

The Committee has delegated to the Company's senior human resources executive responsibility for administering the executive compensation program. During 2010, the Company's Chief Executive Officer, senior human resources executive, as well as other senior executives, made recommendations to the Committee regarding executive compensation actions and incentive awards. The Committee reviewed each compensation element for the Chief Executive Officer and other NEOs, and made the final determination regarding executive compensation for these officers using the processes described in this Compensation Discussion and Analysis. The Committee believes the Company's compensation programs reflect the Company's overarching business rationale and are designed to be reasonable, fair, fully disclosed, and consistently aligned with long-term value creation. The Committee further believes this compensation philosophy encourages individual and group behaviors that balance risk and reward and assist the Company in achieving steady, sustained growth and earnings performance.

Individual executive positions. The Company's senior management positions, including each of its NEO positions, were compared to positions with similar attributes and responsibilities based on the CDB information. This information was used to provide the market median dollar value for annual base salary, annual incentives and long-term incentives. The Committee used the CDB, along with other qualitative information, described on page 54, in making its determination of target and actual compensation provided to each of the Company's NEOs. The Committee generally targets total compensation and each compensation component at the competitive median of the CDB sample group, but may consider deviations from the competitive median depending on a position's strategic value, the Company's objectives and strategies, and individual experience and performance in the position. The Committee may, but is not required to, consider prior year's compensation, including short-term or long-term incentive payouts, restricted stock vesting or option exercises in compensation decisions for the NEOs.

Except as discussed below, NEO 2010 total compensation, which consists of base salary, AIP target opportunities, regular annual stock option and restricted stock (or restricted stock unit grants in 2011) based on grant date fair value and TSR award target opportunities, were generally aligned, individually and in the aggregate, with the competitive median compensation levels reflected in the CDB survey described on pages 52 to 53 of this 2011 Proxy Statement.

Most of the deviations from the competitive median compensation levels were within what the Committee considered to be a competitive range of approximately 10% above or below the market median. Deviations beyond this competitive range were primarily related to the relatively short tenure of Ms. Ramos, Ms. McClain, Mr. Melcher and Mr. Jimenez in their current positions and a desire to tie a significant portion of Mr. Loranger's compensation to the achievement of sustained, long-term company performance.

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The following chart sets out 2010 total target NEO compensation for annual base salary, annual incentive, long-term incentive and total compensation relative to the competitive market median. Percentages of the market median between 90% and 110% are considered to be at the market median.

Named Executive Officer and Title	Annual Base Salary Position as Percentage of Market Median	Annual Incentive Target Position as Percentage of Market Median	Long-Term Incentive Position as Percentage of Market Median	Total Compensation Position as Percentage of Market Median
John R.anger, ...irman, ...ident and Chief ...utive Officer	96%	91%	112%	105%
...			Above targeted percentage	
...ise L. Ramos,Chief Financial ...cer	98%	100%	82%	90%
...			Below targeted percentage	
...chen W. ...lain, ... and President, ...d and Motion ...trol	96%	94%	84%	89%
...			Below targeted percentage	Below targeted percent
...id F. Melcher,President, ...ense and ...rmation ...tions	91%	83%	70%	77%
...		Below targeted percentage	Below targeted percentage	Below targeted percent
...k R. Jimenez,General ...nsel	82%	66%	50%	61%
...	Below targeted percentage	Below targeted percentage	Below targeted percentage	Below targeted percent

Our compensation cycle. Compensation is reviewed in detail every year during the first quarter. This review includes:

- Annual performance reviews for the prior year,
- Base salary merit increases normally established in March,
- AIP target awards, and
- Long-term incentive target awards (including stock options, restricted stock or restricted stock units and TSR awards).

The actual award date of stock options, restricted stock or restricted stock units and target TSR awards is determined on the date on which the Committee approves these awards. In recent years, this date has been in March. TSR awards reflect a performance period starting on January 1 of the year in which the Committee approved the TSR award.

Restricted stock or restricted stock units, TSR and stock option award recipients receive communication of the award as soon as reasonably practical after the grant date of the award. The Committee reviewed and assessed the performance of the Company's NEOs during 2010. The Committee will continue to review and assess the performance of the Chief Executive Officer and all senior executives and authorize salary actions it believes are appropriate and commensurate with relevant competitive data and the approved salary program.

Qualitative considerations. The Company considers individual performance, including consideration of the following qualitative performance factors, in addition to the quantitative measures discussed in this Compensation Discussion and Analysis. While there is no formal weighting of qualitative factors, the following factors may be considered important in making compensation decisions:

Portfolio Repositioning,

Differentiated Organic Growth,

Strategic Execution, and

Cultural Transformation.

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Compensation Program Objectives

The following sections, including material supplied in tabular form, provide more information about our compensation program, and its objectives, general principles and specific approaches.

How We Achieve Our Objectives

Objective	General Principle	Specific Approach
Attract and retain well-rounded, capable leaders.	Design our executive compensation program to attract, reward and retain capable executives. Design total executive compensation to provide a competitive balance of salary, short-term and long-term incentive compensation.	The Company's overarching philosophy is to target total compensation at the competitive median of the CDB. We consider total compensation (salary plus short-term and long-term compensation) when determining each component of NEO compensation.
Match compensation components to the Company's short-term and long-term operating and strategic goals.	In addition to salary, we include short-term and long-term performance incentives in our compensation program.	We believe the mix of short-term and long-term performance-based incentives focuses executive behavior on annual performance and operating goals, as well as strategic business objectives that will promote long-term shareholder value creation.
Provide a clear link between at-risk compensation with business performance.	We believe the measures of performance in our compensation programs must be aligned with measures key to the success of our businesses. The clear link between compensation and performance is intended to provide incentives for achieving performance and business objectives and increasing the long-term value of the Company's stock. If our businesses succeed, our shareholders will benefit.	The Company links compensation and performance through its long-term incentive program, comprised of restricted stock or restricted stock unit awards, non-qualified stock options awards and total shareholder return target awards. If performance goals are not met, at-risk compensation is reduced or not paid at all.
Align at-risk compensation with levels of executive responsibility.	As executives move to greater levels of responsibility, the proportion of compensation at risk, whether through annual incentive plans or long-term incentive programs, increases in relation to	NEO compensation is structured so that a substantial portion of compensation is at risk for executives with greater levels of responsibility. The Committee considered allocation of short-term and long-term compensation, cash and non-cash compensation and different forms

the increased level of responsibility.

of non-cash compensation for NEOs based on its assessment of the proper compensation balance needed to achieve the Company's short-term and long-term goals. The Compensation Consultant compiled and analyzed data that the Committee considered in weighting compensation components for each of the NEOs.

Tie short-term executive compensation to specific business objectives.

The AIP performance metrics are designed to further the Company's total enterprise objectives. By linking AIP performance to total enterprise performance, collaboration across the enterprise is rewarded.

The AIP sets out short-term performance components. If specific short-term performance goals are met, cash payments that reflect performance across the enterprise may be awarded.

Tie long-term executive compensation to increasing shareholder return.

The long-term incentive award programs link executive compensation to increases in absolute shareholder return or relative shareholder return against industrial peers.

Long-term executive compensation is comprised of restricted stock or restricted stock units, stock options and target TSR cash awards that are tied to the achievement of three-year relative total shareholder return goals.

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How We Achieve Our Objectives

Objective	General Principle	Specific Approach
Provide reasonable and competitive benefits and perquisites.	Make sure that other employee benefits, including perquisites, are reasonable in the context of a competitive compensation program.	NEOs participate in many of the same benefit plans with the same benefit plan terms as other employees. Certain other benefit plans are available to NEOs and described more fully on pages 82 to 85. The Compensation Consultant provides survey data on perquisites to the Committee. Perquisites provided to NEOs are designed to be consistent with competitive practice and are regularly reviewed by the Committee. Mr. Loranger has a Special Pension Arrangement discussed on page 83 of this Proxy Statement.

Primary Compensation Components

The following sections, including information supplied in tabular form, provide information about Base Salary, the AIP and Long-Term Incentive Target Awards.

BASE SALARY

General Principle	Specific Approach
A competitive salary provides a necessary element of stability.	Salary levels reflect comparable salary levels based on survey data provided by the Compensation Consultant. Salary levels are reviewed annually.
Base salary should recognize individual performance, market value of a position and the incumbent's tenure, experience, responsibilities, contribution to the Company and growth in his or her role.	Merit increases are based on overall performance and relative competitive market position.

ANNUAL INCENTIVE PLAN (AIP)

General Principle	Specific Approach
The AIP award recognizes contributions to the year's results and is determined by performance against specific premier metrics on the enterprise level, as well as qualitative factors, as described in more detail on page 54. The 2010 AIP is structured to reward and emphasize overall enterprise performance and emphasizes collaboration among the Company's Groups.	The AIP focuses on operating performance, targeting premier metrics considered predictive of top-ranking operating performance. 2010 AIP targets were established based on these four internal premier performance metrics: earnings per share performance,

free cash flow,

sum of Group return on invested capital, and

the sum of Group revenue.

Structure AIP target awards to achieve competitive compensation levels when targeted performance results are achieved. Use objective formulas to establish potential AIP performance awards.

The Company's AIP provides for an annual cash payment to participating executives established as a target percentage of base salary. AIP target awards are set with reference to the median of competitive practice based on the CDB. Any AIP payment is the product of the annual base salary rate multiplied by the target base salary percentage multiplied by the AIP annual performance factor based on the approved metrics. The Committee may approve negative discretionary adjustments with respect to NEOs.

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LONG-TERM INCENTIVE AWARDS

General Principle

Design long-term incentives for NEOs to link payouts to success in the creation of shareholder value over time.

For NEOs, long-term equity-based incentives should recognize current performance as well as the expectation of future contributions.

Review award programs annually to provide for regular assessment.

Use competitive market survey data provided by the Compensation Consultant from a sample of S&P® Industrial Companies to select long-term components designed to advance the Company's long-term business goals as well as determining competitive target amounts.

Balance absolute share price return and relative share price return.

Consider the median of competitive market data, as well as individual contributions and business performance in determining target awards.

Specific Approach

The Committee believes that long-term incentives directly reward NEOs for success in the creation of long-term value creation and enhanced total shareholder return. The Committee employed four considerations in designing the long-term incentive award program:

alignment of executive interests with shareholder interests,

a multi-year plan that balances short-term and long-term decision-making,

long-term awards included as part of a competitive total compensation package, and

retention.

The Committee grants restricted stock or restricted stock units and stock options awards to link executive compensation to absolute share price performance. It grants TSR awards to provide a link to the Company's total shareholder return relative to the TSR Performance Index.

As part of its annual compensation review, the Committee determines long-term incentive award program components, the percentage weight of each component, and long-term award target amounts.

In 2010, the Committee, based on management recommendations, used competitive market data for each of the NEO positions to determine the 2010 long-term award value for each NEO.

The Committee balanced long-term awards among awards designed to encourage relative share price performance and awards designed to encourage absolute share price performance. More information on this allocation is provided on pages 62 to 67.

Specific target awards are set out in the Grants of Plan-Based Awards table on page 74.

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Overview of the AIP And Long-Term Incentive Target Awards

Establishing AIP Performance

The 2010 AIP format is designed to consider internal business achievements. For 2010, NEOs include officers from the Fluid Technology and the Motion & Flow Control segment, Defense & Information Solutions segment, and Corporate headquarters.

Internal Premier Performance Metrics

The Committee studied past and projected earnings per share and other performance measures of comparable multi-industry peers. Six multi-industry companies were identified as premier based on their rankings in the top quartile of the majority of the quantitative metrics evaluated. These six companies are:

3M Co.
United Technologies Corp.
Illinois Tool Works, Inc.

General Electric Co.
Emerson Electric Co.
Danaher Corp.

Based on an analysis of these premier companies, the Company identified four internal premier performance metrics as most closely predictive of top-ranking operating performance. The AIP design for the 2010 performance year was modified to emphasize business collaboration across the enterprise.

Premier Performance Metric	Why this metric
Sum of Group revenue	Revenue reflects the Company's emphasis on growth. Revenue is defined as reported GAAP revenue excluding the impact of foreign currency fluctuations and contributions from acquisitions and divestitures. The Company's definition of revenue may not be comparable to similar measures utilized by other companies. Revenue is based on the local currency exchange.
Free cash flow	Free cash flow reflects the Company's emphasis on cash flow generation. Free cash flow is defined as GAAP net cash flow from operating activities, less capital expenditures and adjusted for other non-cash special items and discretionary pension contributions. Free cash flow should not be considered a substitute for cash flow data prepared in accordance with GAAP. The Company's definition of free cash flow may not be comparable to similar measures utilized by other companies. Management believes that free cash flow is an important measure of performance and it is utilized as a measure of the Company's ability to generate cash.
Sum of Group return on invested capital (ROIC)	

The Committee considers ROIC to be an appropriate measurement of capital utilization in the Company's businesses and a key element of premier performance.

Earnings per share (EPS) performance

The Committee believes that EPS performance is an appropriate measure of the Company's total performance and employed the ITT EPS performance metric to encourage focus on the achievement of premier earnings performance for the overall Company. EPS performance is defined as GAAP net income from continuing operations per diluted share, adjusted to exclude items such as unusual and infrequent non-operating items, non-operating tax settlements or adjustments relating to prior periods and impacts from acquisitions and divestitures.

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Internal performance metrics are weighted to represent operational goals. In order to encourage focus on total Company performance, earnings per share performance across the enterprise represented 40% of the overall performance metrics for the Company's 2010 AIP.

2010 Internal Performance Metrics Weight

2010 Metrics	Total Enterprise Performance Percentage
Sum of Group Revenue	20%
Free Cash Flow	20%
Sum of Group ROIC	20%
EPS Performance	40%

In addition, four qualitative business goals were considered for the NEOs in 2010: Portfolio Repositioning, Differentiated Organic Growth, Strategic Execution, and Cultural Transformation.

2010 Internal Performance Metric Attainment and Payout Design

We pay for AIP performance that clearly demonstrates substantial achievement of plan goals. We established strong incentives for revenue performance and set aggressive goals for other metrics. In order to achieve an AIP payout each metric must meet a certain threshold for that component to be considered in the calculation. For example, EPS performance below the 50% payout percentage of target would result in that metric being reflected as zero in the AIP calculation.

Earnings Per Share Performance	\$ 3.75	\$ 4.00	\$ 4.50
Earnings Per Share Payout Percentage of Target	50%	100%	200%

Sum of Group revenue must meet or exceed a 90% threshold performance. The remaining metrics must meet or exceed an 85% threshold performance level (as described in the chart below).

	2010 AIP Attainment and Payout Design				Remaining Metrics	
	Revenue					
Performance Percentage of Target	90%	100%	110%	85%	100%	120%
Payout Percentage of Target	50%	100%	200%	50%	100%	200%

In 2010, each performance component of the AIP and the overall AIP award were capped at 200%. Results are interpolated between points.

2010 AIP Performance Targets and Performance

The Committee, after considering management recommendations, established 2010 AIP performance targets for the NEOs based on the applicable internal premier performance metrics and the Company's approved annual operating plan, taking into consideration the Company's aspirational business goals. Successful attainment of both qualitative factors and quantitative factors (described on page 54 and pages 59 to 61 of the Proxy Statement) are achievable only if the enterprise and the individual NEO perform at levels established by the Committee. As permitted by the 1997 Annual Incentive Plan for Executive Officers, the Committee may exclude the impact of acquisitions, dispositions and other special items in computing AIP. The 2010 targets for EPS

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performance, free cash flow performance for the Company, and the sum of Group revenue performance targets are described below:

(All \$ amounts in millions other than earnings per share performance)	Performance Target at 100% Payment	2010 Performance
EPS Performance	\$4.00	\$4.34
Free Cash Flow	\$740	\$924
Sum of Group Revenue	\$11,200	\$10,831

Remaining Performance Target. We set the remaining performance target, the sum of Group ROIC, at a challenging level that is consistent with our long-term premier targets and designed to meet high shareholder expectations. We consider the sum of Group ROIC level difficult to attain.

Specific Internal Metrics for Mr. Loranger

All elements of compensation for Mr. Loranger are reviewed by the Committee. Mr. Loranger participates in the AIP described above. In 2010, with respect to Mr. Loranger, the Committee determined and considered the same four quantifiable goals related to free cash flow, sum of Group revenue, sum of Group ROIC and EPS performance, as provided above. Sum of Group ROIC goals were set at challenging levels that were considered difficult to attain.

Metric (all \$ amounts in millions other than earnings per share performance)	Performance Target at 100% Payment	2010 Performance
EPS Performance	\$4.00	\$4.34
Free Cash Flow	\$740	\$924
Sum of Group Revenue	\$11,200	\$10,831

In addition, four qualitative business goals were considered for Mr. Loranger in 2010:

- Portfolio Repositioning,
- Differentiated Organic Growth,
- Strategic Execution, and
- Cultural Transformation.

Mr. Loranger's progress in meeting these qualitative goals, as well as progress in meeting all AIP metrics, is regularly reviewed by the Committee during the year. Most qualitative goals were either met or were substantially achieved.

**Target AIP Award Percentage of Base Salary and
Weighting of AIP Performance Components**

Named Executive Officer	Target Award	Sum of	Free	Sum of	ITT EPS	Total
	Percentage	Group	Cash	Group	Performance	Enterprise
	of	Revenue	Flow	ROIC		Performance
	Base	(a)	(b)	(c)	(d)	a+b+c+d
	Salary					
Steven R. Loranger	130%	20%	20%	20%	40%	a+b+c+d
Denise L. Ramos	85%	20%	20%	20%	40%	a+b+c+d
Gretchen W. McClain	80%	20%	20%	20%	40%	a+b+c+d
David F. Melcher	80%	20%	20%	20%	40%	a+b+c+d
Frank R. Jimenez	60%	20%	20%	20%	40%	a+b+c+d

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For NEOs, the 2010 AIP potential payment was calculated as follows:

2010 AIP Potential Payout = Target Award Percentage of Base Salary x (Results of Total Enterprise Performance) interpolated up to 200% for performance above goal. (Subject to negative discretion).

2010 AIP Awards Paid in 2011

On March 3, 2011, the Committee determined the 2010 AIP awards for the Chief Executive Officer and the other NEOs. No negative discretion was exercised by the Committee. As permitted by the 1997 Annual Incentive Plan for Executive Officers, the Committee excluded the impact of acquisitions, dispositions and other special items in computing AIP performance relating to AIP targets, which AIP targets also excluded these items. The Committee met privately, without any members of management present, to determine Mr. Loranger's 2010 AIP award.

Named Executive Officers	AIP 2010 Awards (\$)
Steven R. Loranger	\$2,328,352
Denise L. Ramos	\$774,300
Gretchen W. McClain	\$654,700
David F. Melcher	\$654,700
Frank R. Jimenez	\$384,500

2010 AIP Awards for NEOs are also included in the Summary Compensation Table on page 72.

Performance targets for the 2011 AIP have not yet been established.

Long-Term Incentive Awards Program

The Company's long-term incentive awards component for senior executives has three subcomponents, each of which directly ties long-term compensation to long-term value creation and shareholder return:

restricted stock or restricted stock unit awards. In 2010 the Committee awarded restricted stock awards. In 2011 the Committee determined to award restricted stock units, which will be settled in shares upon vesting. Restricted stock units provide the same economic risk or reward as restricted stock, but recipients do not have voting rights and do not receive cash dividends during the restriction period. Dividend equivalents are accrued and paid in cash upon vesting of the restricted stock units. The Committee determined to award restricted stock units rather than restricted stock in 2011 because restricted stock unit awards provide consistent tax treatment for domestic and international employees,

non-qualified stock option awards, and

TSR, a target cash award that directly links the Company's three-year total shareholder return performance to the performance of companies in the TSR Performance Index on a relative basis.

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The following table describes the 2010 TSR target and equity awards for the NEOs.

Named Executive Officer	TSR (Target Cash Award) \$	Non-Qualified Stock Option Award # Options	Restricted Stock Award # Shares
Steven R. Loranger	1,980,000	132,265	41,267
Denise L. Ramos	400,000	26,721	8,337
Gretchen W. McClain	360,000	24,049	7,503
David F. Melcher	360,000	24,049	7,503
Frank R. Jimenez	166,700	11,890	3,474

Allocation of Long-Term Incentive Components

The 2010 Long-Term Incentive Program Awards were allocated as follows: 1/3 TSR calculated at target payment amount; 1/3 non-qualified stock options calculated at the grant date fair value of the non-qualified options; and 1/3 restricted stock or restricted stock units calculated at grant date fair value.

2010 Long-Term Incentive Program**Restricted Stock Subcomponent**

Grants of restricted stock provide NEOs with stock ownership of unrestricted shares after the restriction lapses. NEOs received restricted stock awards because, in the judgment of the Committee and based on management recommendations, these individuals are in positions most likely to assist in the achievement of the Company's long-term value creation goals and to create shareholder value over time. The Committee reviews all proposed grants of shares of restricted stock for executive officers prior to award, including awards based on performance, retention-based awards and awards contemplated for new employees as part of employment offers.

Key elements of the 2010 restricted stock program were:

Holders of restricted stock have the right to receive dividends and vote the shares during the restriction period,

Restricted stock generally is subject to a three-year restriction period,

If an acceleration event occurs (as described on pages 90 to 91 of this Proxy Statement) the restricted stock vests in full,

If an employee dies or becomes disabled, the restricted stock vests in full,

If an employee leaves the Company prior to vesting, whether through resignation or termination for cause, the restricted stock is forfeited, and

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If an employee retires or is terminated other than for cause, a pro-rata portion of the restricted stock award vests. Mr. Loranger is currently eligible to retire pursuant to a Special Pension Arrangement under the Steven R. Loranger Employment Agreement described on page 75-77 and the 2010 Nonqualified Deferred Compensation Table on page 86.

In certain cases, such as for new hires or to facilitate retention, selected employees may receive restricted stock subject to different vesting terms as determined by the Committee.

Non-Qualified Stock Options Subcomponent

Non-qualified stock options permit optionees to buy Company stock in the future at a price equal to the stock's value on the date the option was granted, which is the option exercise price. Non-qualified stock option terms were selected after the Committee's review and assessment of the CDB and consideration of terms best suited to the Company.

For Messrs. Loranger and Melcher, Ms. Ramos and Ms. McClain, non-qualified stock options do not vest until three years after the award date. This delayed vesting is referred to as three-year cliff vesting. This vesting schedule prohibits early option exercises, notwithstanding share price appreciation, and focuses senior executives on the Company's long-term value creation goals. Stock options awarded to Mr. Jimenez in 2010 vest in one-third annual installments.

In 2010, the fair value of stock options granted under the employee stock option program was calculated using a binomial lattice valuation model. The Committee considered this a preferred model since the model can incorporate multiple and variable assumptions over time, including assumptions such as employee exercise patterns, stock price volatility and changes in dividends.

Key elements of the 2010 non-qualified stock option program were:

The option exercise price of stock options awarded is the NYSE closing price of the Company's common stock on the date the award is approved by the Committee,

For options granted to new executives, the option exercise price of approved stock option awards is the closing price on the grant date, generally the day following the first day of employment,

Options cannot be exercised prior to vesting,

Three-year cliff vesting is required for executives at the level of senior vice president or above. Stock options vest in one-third cumulative annual installments for executives below the senior vice president level,

If an acceleration event occurs (as described on pages 90 to 91 of this Proxy Statement) the stock option award vests in full,

Options awarded in 2010 and 2011 and prior to 2005 expire ten years after the grant date. Options awarded between 2005 and 2009 expire seven years after the grant date. In 2010, the seven-year option term was extended to ten years based on a review of competitive market practices,

If an employee is terminated for cause, vested and unvested portions of the options expire on the date of termination,

The 2003 Plan and the proposed 2011 Omnibus Incentive Plan prohibit the repricing of, or exchange of, stock options and stock appreciation rights which are priced below the prevailing market price with lower-priced stock options or stock appreciation rights without shareholders approval, and

There may be adjustments to the post-employment exercise period of an option grant if an employee's tenure with the Company is terminated due to death, disability, retirement or

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termination by the Company other than for cause. Any post-employment exercise period, however, cannot exceed the original expiration date of the option. If employment is terminated due to an acceleration event or because the option holder believes in good faith that he or she would be unable to discharge his or her duties effectively after the acceleration event, the option expires on the earlier of the date seven months after the acceleration event or the normal expiration date.

Currently, no individual