

AMETEK INC/
Form DEF 14A
March 24, 2014

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

AMETEK, Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required

\$125 per Exchange Act Rules 0-11(c)(1)(ii), 14a-6(i)(1), 14a-6(i)(2) or Item 22(a)(2) of Schedule 14A.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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.. Fee paid previously with preliminary materials

.. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11 (a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Notice of 2014

Annual Meeting

Proxy Statement

Annual Financial Information

and Review of Operations

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 8, 2014

11:00 a.m. Eastern Daylight Time

InterContinental New York Barclay

Sutton Room

111 East 48th Street

New York, NY 10017

Dear Fellow Stockholder:

On behalf of the Board of Directors, it is my pleasure to invite you to attend the 2014 Annual Meeting of Stockholders of AMETEK, Inc. At the Annual Meeting, you will be asked to:

1. Elect two Directors for a term of three years;
2. Cast an advisory vote to approve named executive officer compensation;
3. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2014; and
4. Transact any other business properly brought before the Annual Meeting.

Only stockholders of record at the close of business on March 21, 2014 will be entitled to vote at the Annual Meeting. Your vote is important. You can vote in one of four ways: (1) via the Internet, (2) by telephone using a toll-free number, (3) by marking, signing and dating your proxy card, and returning it promptly in the enclosed envelope, or (4) by casting your vote in person at the Annual Meeting. Please refer to your proxy card for specific proxy voting instructions.

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

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

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

Sincerely,

Frank S. Hermance

Chairman of the Board

and Chief Executive Officer

Berwyn, Pennsylvania

Dated: March 28, 2014

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE
ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 8, 2014**

Our Notice of 2014 Annual Meeting of Stockholders, Proxy Statement and Annual Report

are available at: <http://www.ametek.com/2014proxy>

Principal executive offices

1100 Cassatt Road

Berwyn, Pennsylvania 19312-1177

PROXY STATEMENT

We are mailing this Proxy Statement and proxy card to our stockholders of record as of March 21, 2014 on or about March 28, 2014. The Board of Directors is soliciting proxies in connection with the election of Directors and other actions to be taken at the Annual Meeting of Stockholders and at any adjournment or postponement of that Meeting. The Board of Directors encourages you to read the Proxy Statement and to vote on the matters to be considered at the Annual Meeting.

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VOTING PROCEDURES

Your vote is very important. It is important that your views be represented whether or not you attend the Annual Meeting. Stockholders who hold AMETEK shares through a broker, bank or other holder of record receive proxy materials and a Voting Instruction Form either electronically or by mail before each Annual Meeting. For your vote to be counted, you need to communicate your voting decisions to your broker, bank or other holder of record before the date of the Annual Meeting.

Who can vote? Stockholders of record as of the close of business on March 21, 2014 are entitled to vote. On that date, 245,226,923 shares of our Common Stock were issued and outstanding and eligible to vote. Each share is entitled to one vote on each matter presented at the Annual Meeting.

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

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

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

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

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

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

If you are an employee who owns AMETEK shares through an AMETEK employee savings plan and you do not return a proxy card or otherwise give voting instructions for the plan shares, the trustee will vote those shares in the same proportion as the shares for which the trustee receives voting instructions from other participants in that plan. Your proxy voting instructions must be received by May 5, 2014 to enable the savings plan trustee to tabulate the vote of the plan shares prior to the Annual Meeting.

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

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

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

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

Who is the proxy solicitor? We have retained Georgeson, Inc. to assist in the distribution of proxy materials and solicitation of votes. We will pay Georgeson, Inc. a fee of \$8,500, plus reimbursement of reasonable out-of-pocket expenses.

CORPORATE GOVERNANCE

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

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

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

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

The independent Directors meet in executive session at least once a year outside of the presence of any management Directors and other members of our management. The presiding Director at the executive sessions rotates annually among the chairpersons of the Corporate Governance/Nominating Committee, the Compensation Committee and the Audit Committee. The presiding Director at the executive sessions for 2014 is Mr. Malone, the chairperson of the Corporate Governance/Nominating Committee. During executive sessions, the Directors may consider such matters as they deem appropriate. Following each executive session, the results of the deliberations and any recommendations are communicated to the full Board of Directors.

Directors are expected to attend all meetings of the Board and each Committee on which they serve and are expected to attend the Annual Meeting of Stockholders. Our Board met in person a total of four times and two times by telephone in 2013. Each of the Directors attended at least 75% of the meetings of the Board and the Committees to which the Director was assigned (except for Mr. Klein who attended 63% of the meetings of the Board and the Committees to which he was assigned due to a medical issue). All of the Directors attended the 2013 Annual Meeting of Stockholders.

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

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

All independent Directors satisfied these categorical standards.

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

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

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

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

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

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

oversight of our compliance with legal and regulatory requirements;

review of the performance of our internal audit function;

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

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

The Committee met seven times during 2013. The members of the Committee are Anthony J. Conti Chairperson, Ruby R. Chandy, Steven W. Kohlhagen and James R. Malone. The Board of Directors has determined that Mr. Conti is an audit committee financial expert within the meaning of the Securities and Exchange Commission's regulations.

The Compensation Committee is responsible for, among other things:

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

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

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

review and monitoring of management development and succession plans; and

periodic review of the compensation of non-employee Directors.

The Committee met six times during 2013. The members of the Committee are Charles D. Klein Chairperson, James R. Malone, Elizabeth R. Varet and Dennis K. Williams. In carrying out its duties, the Compensation Committee made compensation decisions for 36 officers as of December 31, 2013, including all executive officers. The Committee's charter provides that, in setting compensation for the Chief Executive Officer, the Committee will review and evaluate the Chief Executive Officer's performance and leadership, taking into account the views of other members of the Board. The charter further provides that, with the participation of the Chief Executive Officer, the Committee is to evaluate the performance of other officers and determine compensation for these officers. In this regard, Compensation Committee meetings are regularly attended by the Chief Executive Officer. The Chief Executive Officer does not participate in the determination of his own compensation. The Compensation Committee has authority under the charter to retain and set compensation for compensation consultants and other advisors that the Committee may engage. The Compensation Committee charter does not provide for delegation of the Committee's duties and responsibilities other than to one or more members of the Committee when appropriate.

Management engaged Pay Governance LLC to provide executive and Director compensation consulting services. Pay Governance provided no other services for the Company. The Compensation Committee has assessed the independence of Pay Governance pursuant to Securities and Exchange Commission rules and concluded that Pay Governance's work for the Committee does not raise any conflict of interest issues.

We ask Pay Governance to provide comparative data regarding compensation levels for seasoned managers who have job functions and responsibilities that are similar to those of our executives. Specifically, we ask Pay Governance to compare our executives' compensation to the 50th percentile of compensation for similarly positioned executives in a general industry group consisting of approximately 500 companies. Based on this data, our human resources department develops summaries for the Compensation Committee, indicating competitive compensation levels for our executives that would correspond to the 50th percentile, thereby assisting the Compensation Committee in its evaluation of our executives' compensation. See Compensation Discussion and Analysis 2013 Compensation Determination of Competitive Compensation for further information.

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

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

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

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

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

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

The Committee met four times during 2013. The members of the Committee are James R. Malone – Chairperson, Charles D. Klein and Dennis K. Williams.

The Executive Committee has limited powers to act on behalf of the Board whenever the Board is not in session. The Committee did not meet during 2013. The members of the Committee are Frank S. Hermance – Chairperson, Charles D. Klein, Elizabeth R. Varet and Dennis K. Williams.

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

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

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

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

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

Stockholders can recommend qualified candidates for Director by writing to the Corporate Secretary, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177. Stockholder submissions must include the following information: (1) the name of the candidate and the information about the individual that would be required to be included in a proxy statement under the rules of the Securities and Exchange Commission; (2) information about the relationship between the candidate and the recommending shareholder; (3) the consent of the candidate to serve as a Director; and (4) proof of the number of shares of our Common Stock that the recommending stockholder owns and the length of time that the shares have been owned. To enable consideration of a candidate in connection with the 2015 Annual Meeting, a stockholder must submit materials relating to the recommended candidate no later than November 27, 2014. In considering any candidate proposed by a stockholder, the Corporate Governance/Nominating Committee will reach a conclusion based on the criteria described above in the same manner as for other candidates. The Corporate Governance/Nominating Committee also may seek additional information regarding the candidate. After full consideration by the Corporate Governance/Nominating Committee, the stockholder proponent will be notified of the decision of the Committee.

Director Compensation. Standard compensation arrangements for Directors in 2013 are described below.

Fees Non-employee Directors received an annual fee of \$70,000, except for the Chairmen of the Compensation and Corporate Governance/Nominating Committees, who received an annual fee of \$77,500, and the Chairman of the Audit Committee, who received an annual fee of \$90,000. There were no additional fees for attendance at the Board or Committee meetings.

Restricted Stock On May 8, 2013, under our 2007 Omnibus Incentive Compensation Plan, each non-employee Director received a restricted stock award of 1,350 shares of our Common Stock. These restricted shares vest on the earliest to occur of:

the closing price of our Common Stock on any five consecutive trading days equaling or exceeding \$83.48,

the death or disability of the Director,

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

the second anniversary of the date of grant, namely May 8, 2015, provided the Director has served continuously through that date.

Restricted Stock Vestings On January 25, 2013, the price-related events for accelerated vesting of the restricted stock granted on April 29, 2010 to Messrs. Klein, Kohlhagen, Malone and Williams and Ms. Varet and the restricted stock granted on July 29, 2010 to Mr. Conti occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on January 25, 2013 (\$41.07), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

Also, on May 3, 2013, the 2-year cliff vesting of the restricted stock granted on May 3, 2011 to Messrs. Conti, Klein, Kohlhagen, Malone and Williams and Ms. Varet occurred. The total value realized on vesting is equal to (1) the closing price per share of our Common Stock on May 3, 2013 (\$40.87), multiplied by the number of shares acquired on vesting, (2) the dividends accrued since the date of award, and (3) the interest accrued on these dividends.

Options On May 8, 2013, under our 2007 Omnibus Incentive Compensation Plan, each non-employee Director received an option to purchase 5,190 shares of our Common Stock, at an exercise price equal to the closing price of AMETEK's Common Stock, as reported on the New York Stock Exchange consolidated tape on that date. Stock options become exercisable as to the underlying shares in four equal annual installments beginning one year after the date of grant.

The following table provides information regarding Director compensation in 2013, which reflects the standard compensation described above and certain other payments. The table does not include compensation for reimbursement of travel expenses related to attending Board, Committee and AMETEK business meetings, and approved educational seminars. In addition, the table does not address compensation for Mr. Hermance, which is addressed under Executive Compensation beginning on page 15. Mr. Hermance does not receive additional compensation for serving as a Director.

DIRECTOR COMPENSATION 2013

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation	Total
					(3)		
Ruby R. Chandy	\$ 52,500	\$ 56,349	\$ 52,741	\$	\$ 244	\$ 161,834	
Anthony J. Conti	90,000	56,349	52,741		674	199,764	
Charles D. Klein	77,500	56,349	52,741		674	187,264	

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Steven W. Kohlhagen	70,000	56,349	52,741		674	179,764
James R. Malone	77,500	56,349	52,741		674	187,264
Elizabeth R. Varet	70,000	56,349	52,741	8,400	674	188,164
Dennis K. Williams	70,000	56,349	52,741		674	179,764

- (1) The amounts shown for stock awards relate to restricted shares granted under our 2007 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation Stock Compensation*, which we refer to below as ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. At December 31, 2013, Messrs. Conti, Klein, Kohlhagen, Malone, and Williams and Ms. Varet each held 3,105 restricted shares, and Ms. Chandy held 1,350 restricted shares.

- (2) The amounts shown for option awards relate to stock options granted under our 2007 Omnibus Incentive Compensation Plan. These amounts are equal to the grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures. The assumptions used in determining the amounts in this column are set forth in Note 10 to our Consolidated Financial Statements on page 44 of Appendix A to this proxy statement. At December 31, 2013, Messrs. Klein, Kohlhausen and Williams each held options to purchase 40,104 shares of our Common Stock, Ms. Varet held options to purchase 27,937 shares of our Common Stock, Mr. Malone held options to purchase 20,520 shares of our Common Stock, Mr. Conti held options to purchase 20,291 shares of our Common Stock, and Ms. Chandy held options to purchase 5,190 shares of our Common Stock.
- (3) The amounts shown include the aggregate change in actuarial present value of the accumulated benefit under defined benefit plans as follows: Mr. Klein, \$(73,900); Mr. Malone \$(88,300); and Ms. Varet \$(66,900). The Company did not change its benefit program for Directors in 2013. The change in benefit value is attributed to underlying assumptions such as the discount rate used to calculate the actuarial present value.

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

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

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

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

Certain Relationships and Related Transactions. Mr. Hermance's son is employed by us in a non-executive officer capacity as a Divisional Vice President and received total compensation, as such amount is calculated for the named executive officers in the Summary Compensation Table on page 23, of approximately \$355,000 in 2013.

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

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

The transaction described above was ratified by the Audit Committee under the policy.

ADVANCE NOTICE PROCEDURES

In accordance with our By-Laws, stockholders must give us notice relating to nominations for Director or proposed business to be considered at our 2015 Annual Meeting of Stockholders no earlier than January 7, 2015 and no later than February 6, 2015. These requirements do not affect the deadline for submitting stockholder proposals for inclusion in the proxy statement or for recommending candidates for consideration by the Corporate Governance/Nominating Committee, nor do they apply to questions a stockholder may wish to ask at the Annual Meeting. Stockholders may request a copy of the By-Law provisions discussed above from the Corporate Secretary, AMETEK, Inc., 1100 Cassatt Road, Berwyn, PA 19312-1177.

STOCKHOLDER PROPOSALS FOR THE 2015 PROXY STATEMENT

To be considered for inclusion in the proxy statement for the 2015 Annual Meeting of Stockholders, stockholder proposals must be received at our executive offices no later than November 27, 2014.

REPORT OF THE AUDIT COMMITTEE

The responsibilities of the Audit Committee are set forth in its charter, which is accessible at the Investors section of www.ametek.com. Among other things, the charter charges the Committee with the responsibility for reviewing AMETEK's audited financial statements and the financial reporting process. In fulfilling its oversight responsibilities, the Committee reviewed with management and Ernst & Young LLP, AMETEK's independent registered public accounting firm, the audited financial statements contained in AMETEK's 2013 Annual Report on Form 10-K and included in Appendix A to this Proxy Statement. The Committee discussed with Ernst & Young LLP the matters required to be discussed by Statement on Auditing Standards No. 61, *Communication with Audit Committees*, as amended (AICPA, *Professional Standards*, Vol. 1. AU Section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

In addition, the Committee received the written disclosures and letter from Ernst & Young LLP required by Public Company Accounting Oversight Board Rule 3526, *Communication with Audit Committees Concerning Independence*, and has discussed with Ernst & Young LLP its independence.

The Committee discussed with AMETEK's internal auditors and Ernst & Young LLP the overall scope and plans for their respective audits. The Committee met with the internal auditors and Ernst & Young LLP, with and without management present, to discuss the results of their examinations, their evaluations of AMETEK's disclosure control process and internal control over financial reporting, and the overall quality of AMETEK's financial reporting. The Committee held seven meetings during 2013, which included telephone meetings prior to quarterly earnings announcements.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors, and the Board approved, the inclusion of the audited financial statements in AMETEK's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, for filing with the Securities and Exchange Commission.

Respectfully submitted,

The Audit Committee:

Anthony J. Conti, Chairperson

Ruby R. Chandy

Steven W. Kohlhagen

James R. Malone

Dated: March 28, 2014

ELECTION OF DIRECTORS

(Proposal 1 on Proxy Card)

The nominees for election at this year's Annual Meeting are Anthony J. Conti and Frank S. Hermance. Messrs. Conti and Hermance have been nominated to serve as Class II Directors and, if elected, will serve until the Annual Meeting in 2017.

All proxies received will be voted for the election of the nominees unless the stockholder submitting the proxy gives other instructions. Nominees will be elected by holders of a plurality of shares represented either in person or by proxy at the Annual Meeting and entitled to vote. Under our Company's Corporate Governance Guidelines, in an uncontested election, any nominee for Director who receives a greater number of withheld votes than for votes is required to promptly tender his or her resignation for consideration by the Corporate Governance/Nominating Committee of the Board of Directors. The Committee will promptly consider the resignation tendered by the Director and will recommend to the Board whether to accept the tendered resignation or reject it. In considering whether to accept or reject the tendered resignation, the Committee will weigh all factors deemed relevant to the Committee, including the reasons for the withheld votes by stockholders, the length of service and qualifications of the Director, and the Director's contributions to the Company. No Director whose tendered resignation is under consideration will participate in the deliberation process as a member of the Corporate Governance/Nominating Committee or the process of the Board described below. The Board will act on the Corporate Governance/Nominating Committee's recommendation within 90 days following certification of the stockholder vote. In considering the Corporate Governance/Nominating Committee's recommendation, the Board will weigh the factors considered by the Committee and any additional information deemed relevant by the Board. To the extent that one or more Directors' resignations are accepted by the Board, the Corporate Governance/Nominating Committee will recommend to the Board whether to fill such vacancy or vacancies or to reduce the size of the Board.

If any nominee is unable to serve, the shares represented by all valid proxies will be voted for the election of such other person as the Board may nominate, unless the Board determines to reduce the number of Directors. The Directors' biographies are set forth on page 13.

Your Board of Directors Recommends a Vote FOR Each of the Nominees.

ADVISORY APPROVAL OF THE

COMPANY'S EXECUTIVE COMPENSATION

(Proposal 2 on Proxy Card)

In accordance with the results of the last advisory vote on the matter at the Company's 2011 Annual Meeting, our Board determined to implement an annual non-binding stockholder vote on our executive compensation (commonly referred to as "Say-on-Pay"). Our Board has had a long-standing commitment to good corporate governance and recognizes the interest that investors have in executive compensation. We also are committed to achieving a high level of total return to our stockholders.

We encourage you to review the Compensation Discussion and Analysis beginning on page 15 of this proxy statement, as well as the 2013 Summary Compensation table and related compensation tables and narrative, appearing on pages 23 through 34, which provide detailed information on the Company's compensation policies and practices and the compensation of our named executive officers. We believe that our compensation program is designed to attract, motivate and retain the talent required to achieve the short- and long-term performance goals necessary to create shareholder value. Our balanced approach to executive compensation through a combination of base pay, annual incentives and long-term incentives, with a mix of cash and non-cash awards, aligns with creating and sustaining stockholder value. The result of our compensation program is reflected in the total return to our stockholders.

In 2013, our Company's total return to stockholders, including cash and stock dividends, was 41% compared with 33% for the Russell 1000, 34% for the Dow Jones U.S. Electronic Equipment Index and 32% for the S&P 500 Index. For the last three years ended December 31, 2013, our total return to stockholders has been 27% compounded annually as compared to 16% for the Russell 1000, 14% for the Dow Jones U.S. Electronic Equipment Index and 16% for the S&P 500 Index. When compared to the total stockholder returns generated by Pay Governance's general industry group used for compensation comparisons (see pages 15-16), our Company's total stockholder returns were at the median for the one-year period and in the top quartile for the three- and five-year periods. For the year ended December 31, 2013, we grew our revenues by 8% and our earnings per share by 12%, resulting in the most profitable year in the history of our Company.

The Board strongly endorses the Company's executive compensation program and recommends that the stockholders vote in favor of the following resolution:

RESOLVED, that the stockholders approve the compensation of the Company's executives named in the Summary Compensation Table, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis and the accompanying compensation tables and related material disclosed in this Proxy Statement).

Although the vote is non-binding, our Board and Compensation Committee will take into account the outcome of the vote when making future decisions about the Company's executive compensation policies and procedures.

Your Board of Directors Recommends a Vote FOR the Approval of the Company's Executive Compensation.

**RATIFICATION OF APPOINTMENT OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

(Proposal 3 on Proxy Card)

The Audit Committee has appointed the firm of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014. Ernst & Young LLP and its predecessor has served continuously as our independent auditors since our incorporation in 1930. Although action by stockholders on this matter is not required, the Audit Committee believes that it is appropriate to seek stockholder ratification of this appointment, and the Audit Committee may reconsider the appointment if the stockholders do not ratify it.

Fees billed to us by Ernst & Young LLP for services rendered in 2013 and 2012 totaled \$5,966,000 and \$5,731,000 respectively, and consisted of the following:

	2013	2012
Audit fees	\$ 4,955,000	\$ 4,626,000
Audit-related fees	165,000	141,000
Tax fees	844,000	962,000
All other fees	2,000	2,000
Total	\$ 5,966,000	\$ 5,731,000

Audit fees includes amounts for statutory audits and attestation services related to our internal control over financial reporting for compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

The amounts shown for Audit-related fees primarily include fees for audits of employee benefit plans and due diligence in connection with acquisitions.

The amounts shown for Tax fees relate to federal and state tax advice, acquisition tax planning, assistance with international tax compliance and international tax consulting.

The amounts shown for All other fees primarily relate to online accounting research subscriptions.

The affirmative vote of the holders of a majority of eligible shares present at the Annual Meeting, in person or by proxy, and voting on the matter is required to ratify the appointment of Ernst & Young LLP.

Representatives of Ernst & Young LLP will be present at the Annual Meeting. They will have an opportunity to make a statement if they desire and will be available to respond to appropriate questions.

Your Board of Directors Recommends a Vote FOR Ratification.

THE BOARD OF DIRECTORS

As discussed under "Consideration of Director Candidates", the Corporate Governance/Nominating Committee analyzes a number of factors when considering Directors for selection to the Board. Each of our Directors has been selected based on their demonstrated leadership and significant experience in areas significant to our Company; ability to offer advice and guidance based upon that experience and expertise; sound business judgment; and character and integrity that support the core values of the Company. The biographical information set forth below includes a description of each Director's background that supported the Board's consideration of that Director for nomination. Unless we indicate otherwise, each Director has maintained the principal occupation and directorships described below for more than five years.

Class II: Nominees for election at this Annual Meeting for terms expiring in 2017:

ANTHONY J. CONTI Mr. Conti is retired from his position as a Partner (from October 1980 to December 2009) of PricewaterhouseCoopers. Mr. Conti brings to the Board expertise in financial accounting, finance, strategy, risk management and human resources management with his over 35 years experience at a public accounting firm. He is currently a Director of BioTelemetry, Inc. (formerly CardioNet, Inc.).

Director since 2010

Age 65

FRANK S. HERMANC Mr. Hermance is Chairman of the Board and Chief Executive Officer of AMETEK. Mr. Hermance brings to the Board extensive knowledge of our Company and the markets in which we operate through his more than 30 years experience in our industry. He is currently a Director of UGI Corporation. Mr. Hermance was a Director of IDEX Corporation from January 2004 to April 2012.

Director since 1999

Age 65

Class III: Directors whose terms continue until 2015:

JAMES R. MALONE Mr. Malone is founder and Managing Partner of Qorval LLC. Mr. Malone brings to the Board considerable experience and insight into issues facing large public companies gained as CEO of four Fortune 500 companies, and as a director of a number of other public companies. He has extensive acquisition experience and knowledge specific to our markets with over 25 years experience in our industry. Mr. Malone is currently a Director of Regions Financial Corp. He was the Chairman of the Board of Governors of Citizens Property Insurance Corp. from July 2008 to July 2011.

Director since 1994

Age 71

ELIZABETH R. VARET Ms. Varet is a Managing Director of American Securities Management L.P. and chairman of the corporate general partner of several affiliated entities. Ms. Varet brings to the Board expertise in finance and investment through her extensive management and investment experience at private equity and other investment firms.

Director since 1987

Age 70

DENNIS K. WILLIAMS Mr. Williams is retired from his position as President, Chief Executive Officer and Chairman of the Board of IDEX Corporation. Mr. Williams brings to the Board considerable experience and insight into issues facing large public companies gained as CEO of IDEX Corporation. He has extensive acquisition experience and knowledge specific to our markets with over 30 years experience in our industry. Mr. Williams is currently a Director of Owens-Illinois, Inc. and Actuant Corporation.

Director since 2006

Age 68

Class I: Directors whose terms continue until 2016:

RUBY R. CHANDY Ms. Chandy is the President of the Industrial Division of Pall Corporation, a position she has occupied since April 2012. Previously, she was Managing Director, Vice President of Dow Plastics Additives, a unit of The Dow Chemical Company, from 2011 to April 2012. From 2009 to 2011, Ms. Chandy served as Chief Marketing Officer of The Dow Chemical Company. Ms. Chandy brings to the Board her executive management experience, marketing and strategy skills, relevant experience in life science and industrial companies and extensive engineering and management education. Ms. Chandy was a Director of IDEX Corporation from April 2006 to April 2013.

Director since 2013

Age 52

CHARLES D. KLEIN Mr. Klein is a Managing Director of American Securities LLC and an executive officer of several affiliated entities. Mr. Klein brings to the Board expertise in financing and investment through his extensive management, acquisition and investment experience at private equity and other investment firms, and through his current and past experience as a Director of a number of public and private companies.

Director since 1980

Age 75

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STEVEN W. KOHLHAGEN

Director since 2006

Age 66

Mr. Kohlhagen is a retired financial executive. Mr. Kohlhagen brings to the Board expertise in financial accounting, finance and risk management through his extensive experience in, and knowledge of, the financial, securities and foreign exchange markets. He is currently a Director of Abtech Holdings, Inc., the Federal Home Loan Mortgage Corporation and GulfMark Offshore, Inc. Mr. Kohlhagen was a Director of the IQ Investment Advisors family of Merrill Lynch funds from January 2005 to September 2010.

EXECUTIVE OFFICERS

Officers are appointed by the Board of Directors to serve for the ensuing year and until their successors have been elected and qualified. Information about our executive officers as of March 21, 2014 is shown below:

Name	Age	Present Position with AMETEK
Frank S. Hermance	65	Chairman of the Board and Chief Executive Officer
Robert R. Mandos	55	Executive Vice President Chief Financial Officer
David A. Zapico	49	Executive Vice President Chief Operating Officer
Timothy N. Jones	57	President Electromechanical Group
John W. Hardin	49	President Electronic Instruments
William J. Burke	52	Senior Vice President Comptroller & Treasurer

Frank S. Hermance s employment history with us and other directorships held during the past five years are described under the section The Board of Directors on page 13. Mr. Hermance has 23 years of service with us.

Robert R. Mandos was elected Executive Vice President Chief Financial Officer effective July 1, 2012. Previously he served as Senior Vice President and Comptroller from October 2004 to June 2012. Mr. Mandos has 32 years of service with us.

David A. Zapico was elected Executive Vice President Chief Operating Officer effective January 1, 2013. He continues to act as President Electronic Instruments, having served in this role from October 2003. Mr. Zapico has 24 years of service with us.

Timothy N. Jones was elected President Electromechanical Group effective February 1, 2006. Mr. Jones has 34 years of service with us.

John W. Hardin was elected President Electronic Instruments effective July 23, 2008. Mr. Hardin has 15 years of service with us.

William J. Burke was elected Senior Vice President Comptroller & Treasurer effective July 1, 2012. Previously he served as Vice President Treasurer from November 2011 to June 2012. From March 2007 to November 2011, Mr. Burke served as Vice President Investor Relations and Treasurer. Mr. Burke has 26 years of service with us.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

In this Compensation Discussion and Analysis, we address the compensation paid or awarded to our executive officers listed in the Summary Compensation Table that immediately follows this discussion. We refer to these executive officers as our named executive officers.

Each year, the Compensation Committee, in consultation with an independent compensation consultant, carefully reviews our compensation policies and procedures to determine if they are in the best interests of our stockholders and employees. The Compensation Committee conducted this review in the fall of 2013. In light of the strong level of stockholder approval of our executive compensation that we received at our 2013 Annual Meeting of Stockholders (approximately 94% of the advisory vote), the Compensation Committee determined that it is in the best interests of our stockholders as well as our employees to maintain our compensation policies and procedures which have been in effect for a number of years and which are described in this Compensation Discussion and Analysis.

2013 Compensation

Compensation Objectives

The compensation paid or awarded to our named executive officers for 2013 was designed to meet the following objectives:

Provide compensation that is competitive with compensation for other companies' executive officers who provide comparable services, taking into account the size of our Company or operating group, as applicable. We refer to this objective as competitive compensation.

Create a compensation structure under which a meaningful portion of total compensation is based on achievement of performance goals. We refer to this objective as performance incentives.

Encourage the aggregation and maintenance of meaningful equity ownership, and alignment of executive and stockholder interests. We refer to this objective as stakeholder incentives.

Provide an incentive for long-term continued employment with us. We refer to this objective as retention incentives. We fashioned various components of our 2013 compensation payments and awards to meet these objectives as follows:

Type of Compensation	Objectives Addressed
Salary	Competitive Compensation
Short-Term Incentive Awards,	Competitive Compensation,
Restricted Stock Awards and	Performance Incentives,
Stock Option Grants	Stakeholder Incentives and
	Retention Incentives

Determination of Competitive Compensation

In assessing competitive compensation, we referenced current year data provided to us by an independent compensation consultant, Pay Governance. Pay Governance used the 50th percentile of the general industry group (a collection of approximately 500 companies) as a reference point. Our approach provides us reference information, allowing us to compete effectively in the marketplace for top talent, while providing us

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the flexibility to respond to our changing business conditions and the performance of each individual.

We used the following process to determine a reference point for the compensation for each named executive officer in 2013:

We provided to the compensation consultant a description of the responsibilities for each named executive officer.

The compensation consultant employed its standard methodology to provide reference compensation levels for comparable executives. Comparable executives are seasoned executives having similar responsibilities. The competitive compensation information was based on general industry data derived principally from the compensation consultant's executive compensation database. The data was adjusted to reflect the estimated revenues of our Company and the relevant operating groups. The compensation consultant advised us that it used general industry data rather than data relating only to electronics and electronic component companies because general industry data provides a much larger sampling of companies, and does not differ meaningfully from the data produced by an electronics and electronic component subset.

In considering the data provided by the compensation consultant, we believe that compensation is competitive if it is within a range of 20 percent above or 20 percent below the compensation reference points at the 50th percentile for comparable executives. We believe that variations within this range typically occur due to differences in experience, responsibilities and performance.

Salaries

The salary amounts set forth in the Summary Compensation Table for 2013 reflect salary decisions made by the Compensation Committee of our Board of Directors in 2012. All named executive officers' salaries were within the competitive compensation guideline of 20 percent above or below salaries for comparable executives at the 50th percentile.

Short-Term Incentive Program

The principal objective of our short-term incentive program is to provide a performance incentive. We set performance targets such that total cash compensation will be within 20 percent above or below the total cash compensation guideline at the 50th percentile for comparable executives. However, larger variations, both positive and negative, may result based on actual performance.

For 2013, we set target bonus amounts, which are typically stated as a percentage of base salary, for the named executive officers as follows: Mr. Hermance 100%; Mr. Zapico 80%; Mr. Mandos 65%; Mr. Jones 65%; and Mr. Hardin 65%.

Under our short-term incentive program, we selected performance measures that, in some instances, differed among the named executive officers. These differences reflect the differing responsibilities of the executives. We also established targets for each performance measure.

The target goal for each non-discretionary measure in 2013 was derived from our 2013 budget. Consistent with past practice, the Compensation Committee can make adjustments on a case-by-case basis, such as for group operating income, as described below.

Diluted earnings per share (EPS) We believe that the paramount objective of a principal executive officer is to increase stockholder return significantly, and that for a large, well-established industrial corporation, EPS is typically a key metric affecting share price. Therefore, we believe EPS is an excellent measure of our executive officers' performance.

Organic revenue growth Revenue growth is key to the long-term vitality of a business and we believe this is an indicator of our executive officers' performance. This measure is applied either on a Companywide basis, or, for our group presidents, with regard to their respective operating groups. We define our organic revenue growth measure as actual revenue compared to prior-year revenue without giving effect to (i) increases in revenues from businesses that we acquired during the year and (ii) foreign currency effects.

Operating income This measure applies to our chief operating officer and group presidents with regard to corporate and their respective operating groups, and reflects adjustments deemed appropriate by the Compensation Committee. We believe this measure is a reliable indicator of corporate and operating group performance. Adjustments to operating unit income in 2013 included estimated tax benefits pertaining to the disposal of excess and obsolete inventory and the inclusion of specified financing costs related to acquisitions. We increased operating unit income by the estimated tax benefit realized through the disposal of excess and obsolete inventory. We reduced operating unit income by the estimated amount of interest cost we incur on funds borrowed to finance an acquisition where the results of operations of the acquired business are included in the unit's operating results. We believe that reducing the operating unit income derived from an acquired business by these interest costs better reflects the contribution of the acquisition to the operating unit's performance.

Operating working capital This measure represents inventory plus accounts receivable less accounts payable as a percentage of sales. We use this measure to encourage our executives to manage our working capital in a manner that increases cash available for investment. Operating working capital is reported at the Corporate and Group level. A lower working capital percentage is an indicator of the executives' success in increasing our cash resources.

Discretionary A portion of each executive's award, ranging from 10% to 20%, is based on discretionary factors that are deemed appropriate by the Compensation Committee. In the case of the chief operating officer and group presidents, these factors take into account acquisition activity of the Company and their respective operating groups.

The weighting of performance measures for each named executive officer is set forth in the table below. The target award is payable upon achievement of 100 percent of a designated goal. Payment amounts increase from 0 percent to 200 percent of the target award in proportion to the increase from 80 percent (threshold) to 120 percent (maximum) of the goal attainment with regard to each measure except for organic revenue growth and working capital. Payment amounts increase from 0 percent to 200 percent of the target award in proportion to the increase from 97 percent (threshold) to 103 percent (maximum) of the organic revenue growth goal and in proportion to the decrease from 110 percent (threshold) to 90 percent (maximum) of the working capital goal. The discretionary portions of the award opportunities are not subject to any specified formula.

Name	Performance Measure	Designated Goal	Actual Results	Performance Measure as a Percentage of Total Target Award Opportunity	Actual Award	Actual Award as Percentage of Target Award Opportunity for the Performance Measure
Frank S. Hermance	Diluted Earnings Per Share	\$ 2.10	\$ 2.10	80%	\$ 908,880	100%
	Discretionary	100%	100%	20%	\$ 227,220	100%
Robert R. Mandos	Diluted Earnings Per Share	\$ 2.10	\$ 2.10	70%	\$ 200,200	100%
	Organic Revenue Growth	3.62%	1.22%	10%	\$ 5,720	20%
	Corporate Working Capital	17.40%	17.57%	10%	\$ 25,740	90%
	Discretionary	100%	150%	10%	\$ 42,900	150%
David A. Zapico	Diluted Earnings Per Share	\$ 2.10	\$ 2.10	35%	\$ 154,000	100%
	Organic Revenue Growth	3.62%	1.22%	10%	\$ 8,800	20%
	Corporate Operating Income	\$ 905,168,333	\$ 878,872,438	35%	\$ 131,631	85%
	Corporate Working Capital	17.40%	17.57%	5%	\$ 19,800	90%
	Discretionary	100%	172%	15%	\$ 113,520	172%
Timothy N. Jones	Diluted Earnings Per Share	\$ 2.10	\$ 2.10	35%	\$ 95,323	100%
	Organic Revenue Growth	2.04%	0.8%	10%	\$ 15,978	59%
	Group Operating Income	\$ 233,587,883	\$ 234,696,936	35%	\$ 97,586	102%
	Group Working Capital	16.7%	16.6%	10%	\$ 28,870	106%

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John W. Hardin	Discretionary		100%	100%	10%	\$ 27,235	100%	
	Diluted Earnings Per Share	\$	2.10	\$	2.10	35%	\$ 94,185	100%
	Organic Revenue Growth		3.94%		-0.2%	10%	\$ 0	0%
	Group Operating Income	\$	279,716,933	\$	260,445,331	35%	\$ 61,740	66%
	Group Working Capital		23.1%		24.4%	10%	\$ 11,841	44%
	Discretionary		100%		200%	10%	\$ 53,820	200%

As a result of our actual outcomes with respect to the performance measures and the Committee's determinations with respect to the discretionary component, the award payments and the percentage of the aggregate target award represented by the award payments are as follows: Mr. Hermance, \$1,136,100 (100%); Mr. Mandos, \$274,560 (96%); Mr. Zapico, \$427,751 (97%); Mr. Jones, \$264,992 (97%) and Mr. Hardin, \$221,586 (82%). In accordance with SEC regulations, the award payments are reflected in two separate columns of the Summary Compensation Table. The discretionary awards for the named executive officers appear in the Bonus column. The other awards are reflected in the Non-Equity Incentive Plan Compensation column.

The actual total cash compensation for the named executive officers, as a percentage of the dollar amount of target total cash compensation at the 50th percentile reference point for comparable executives ranged from 81% to 110%. The level of total cash compensation delivered to the named executive officers was primarily driven by the short-term incentive payouts achieved based on record levels of performance.

In providing a discretionary award to Mr. Hermance, the Compensation Committee considered our success with respect to our four growth strategies:

Operational Excellence We achieved record operating margins of 22.7% in 2013, which was a 30-basis-point improvement over 2012 operating margins.

Global and market expansion International sales grew by 16% in 2013, representing 55% of overall sales. We significantly expanded our presence in the BRIC countries (Brazil, Russia, India and China) in 2013 which contributed to the 14% growth in BRIC sales.

Strategic acquisitions We completed three acquisitions in 2013 that added approximately \$175 million in annualized revenue.

New products We introduced a number of new products that contributed to our revenue and profitability. Sales from new products introduced over the last three years grew 7% in 2013 versus 2012.

In the case of Mr. Mandos, the Compensation Committee considered the same factors as those considered for Mr. Hermance. Mr. Zapico and the group presidents' discretionary awards reflected the Committee's assessment of acquisition activities for their respective areas of responsibility.

Equity-Based Compensation

Our equity-based compensation in 2013 consisted of awards of stock options and restricted stock. We use the most recent year 50th percentile of the general industry group as a reference point for assessing and establishing competitive compensation. Our equity-based awards were within the competitive compensation guideline of 20 percent above or below equity-based awards for comparable executives at the 50th percentile.

We granted 50 percent of the long-term incentive award in the form of stock options and 50 percent in the form of restricted stock. To determine the option award size, we applied a Black-Scholes methodology and to determine the restricted stock award size, we divided the value by the fair market value of a share of the Company's common stock. As a result, we awarded options and restricted stock to the named executive officers as set forth in the Grants of Plan-Based Awards table on page 25 under the column headings, All Other Option Awards: Number of Securities Underlying Options and All Other Stock Awards: Number of Shares of Stock or Units respectively.

The dollar amounts shown in the Summary Compensation Table under Option Awards and Stock Awards generally reflect the grant date fair values computed in accordance with ASC 718. See the footnotes to the Summary Compensation Table for further information.

Our options generally vest in equal annual increments on the first four anniversaries of the date of grant. We believe that these vesting terms provide to our executives a meaningful incentive for continued employment. For additional information regarding stock option terms, see the narrative accompanying the Grants of Plan-Based Awards table.

We believe that the vesting provisions of our equity awards also serve as an incentive for continued employment. However, to encourage performance that ultimately enhances stockholder value, we provide for immediate vesting of a restricted stock award if the closing price of our Common Stock during any five consecutive trading days reaches 200 percent of the price of our Common Stock on the date of grant. In the event that the performance criterion is met prior to the first anniversary of the date of grant, then the vesting is delayed until the first anniversary of the date of grant.

Stock-Based Award Grant Practices

Our practices for the grant of stock-based awards encompass the following principles:

The majority of stock-based awards are approved annually by the Compensation Committee on a pre-scheduled date, which occurs in close proximity to the date of our Annual Meeting of Stockholders.

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The annual stock-based awards will not be made when the Compensation Committee is aware that executive officers or non-employee Directors are in possession of material, non-public information, or during quarterly or other specified blackout periods.

While stock-based awards other than annual awards may be granted to address, among other things, the recruiting or hiring of new employees and promotions, such awards will not be made to executive officers if the Committee is aware that the executive officers are in possession of material, non-public information, or during quarterly or other specified blackout periods.

The Compensation Committee has established that stock options are granted only on the date the Compensation Committee approves the grant and with an exercise price equal to the fair market value on the date of grant, except in cases where international sub-plans require compliance with specific grant date criteria. In these cases, the Compensation Committee may grant stock options at a specified future date with the exercise prices equal to the fair market value on the date of grant.

Backdating of stock options is prohibited.

Stockholder approval is required to reprice stock options and stock appreciation rights or for cash buy-outs of underwater stock options and stock appreciation rights except in connection with a corporate transaction involving the Company including, without limitation, any stock dividend, distribution (whether in the form of cash, Company stock, other securities or other property), stock split, extraordinary cash dividend, recapitalization, change of control, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Company stock or other securities, or similar transaction(s).

Stock Ownership Guidelines

We believe that by encouraging our executives to maintain a meaningful equity interest in our Company, we will align the interests of our executives with those of our stockholders. Mr. Hermance is required to hold a multiple of five times his base salary in our stock. Mr. Zapico is required to hold a multiple of four times his base salary. The multiple for Messrs. Mandos, Jones and Hardin is three times base salary. Under our guidelines, an executive is expected to reach his or her stock ownership requirement within five years of being promoted to his or her position. As of December 31, 2013, each of our named executive officers met his stock ownership guideline.

Anti-Hedging and Anti-Pledging Policies

The Board of Directors and our executive officers are prohibited from hedging their ownership of the Company's stock, including trading in publicly-traded options, puts, calls, or other derivative instruments related to the Company's stock. They are also prohibited from pledging Company stock. This prohibition relates to any type of pledge arrangement, including margin accounts covering Company stock.

Clawback Policy

The Company reserves the right to recover, or clawback, from a current or former executive officer any wrongfully-earned performance-based compensation, including stock-based awards, upon the determination by the Compensation Committee of the following:

There has been restatement of Company financials, due to the material noncompliance with any financial reporting requirement (other than a restatement caused by a change in applicable accounting rules or interpretations), and such executive officer engaged in fraud or intentional illegal conduct which materially contributed to the need for such restatement,

The cash incentive or equity compensation to be recouped was calculated on, or its realized value affected by, the financial results that were subsequently restated,

The cash incentive or equity compensation would have been less valuable than what was actually awarded or paid based upon the application of the correct financial results, and

The pay affected by the calculation was earned or awarded within three years of the determination of the necessary restatement. Any recoupment under this policy may be in addition to any other remedies that may be available to the Company under applicable law, including disciplinary actions up to and including termination of employment.

The Compensation Committee has exclusive authority to modify, interpret and enforce this provision in compliance with all regulations.

Tax Gross-Up Provisions

The Company will not enter into any new agreements with an executive officer that include excise tax gross-up provisions with respect to payments contingent upon a change of control of the Company. There is one legacy agreement which is not affected by this policy.

Ongoing and Post-employment Agreements

We have several plans and agreements addressing compensation for our named executive officers that accrue value as the executive continues to work for us, provide special benefits upon certain types of termination events and provide retirement benefits. These plans and agreements were adopted and, in some cases, amended at various times over the past 25 years, and were designed to be a part of a competitive compensation package. Not all plans apply to each named executive officer, and the participants are indicated in the discussion below.

The Employees Retirement Plan This plan is a tax-qualified defined benefit plan available to all U.S.-based salaried employees who commenced employment with us prior to January 1, 1997. The plan pays annual benefits based on final average plan compensation and years of credited service. The amount of compensation that can be taken into account is subject to limits imposed by the Internal Revenue Code (\$255,000 in 2013), and the maximum annual benefits payable under the plan also are subject to Internal Revenue Code limits (\$205,000 in 2013). Messrs. Hermance, Mandos, Zapico and Jones participate in The Employees Retirement Plan. See the Pension Benefits table and accompanying narrative for additional information.

The Retirement and Savings Plan This is a tax-qualified defined contribution plan under which our participating employees may contribute a percentage of specified compensation on a pretax basis. In the case of highly compensated employees, including the named executive officers, contributions of up to ten percent of eligible compensation can be made, subject to a limit mandated by the Internal Revenue Code, which was \$17,500 for 2013, or, if the participant was at least 50 years old, \$23,000. We provide a matching contribution equal to one-third of the first six percent of compensation contributed, subject to a maximum of \$1,200. A participant may invest the participant's contributions and matching contributions in one or more of a number of investment alternatives, including our Common Stock, and the value of a participant's account will be determined by the investment performance of the participant's account. No more than 25 percent of a participant's contributions can be invested in our Common Stock. All of the named executive officers participate in The Retirement and Savings Plan. Our matching contributions are included in the All Other Compensation column of the Summary Compensation Table.

Retirement Feature of The Retirement and Savings Plan The Retirement Feature is available to participants in The Retirement and Savings Plan who meet specified criteria, including ineligibility to participate in any of our defined benefit plans. Mr. Hardin participates in the Retirement Feature. We make retirement contributions based on the total of a participant's age plus years of service. For Mr. Hardin, we contributed an amount equal to five percent of his compensation subject to Social Security taxes and seven percent of his additional compensation. We also make an employer incentive retirement contribution equal to one percent of a participant's eligible compensation if the participant is contributing at least six percent of his or her compensation under The Retirement and Savings Plan. See the notes to the All Other Compensation column of the Summary Compensation Table for further information regarding our contributions to the Retirement Feature for the account of Mr. Hardin.

Supplemental Executive Retirement Plan (SERP) This plan is a non-qualified deferred compensation plan that provides benefits for executives to the extent that their compensation cannot be taken into account under our tax-qualified plans because the compensation exceeds limits imposed by the Internal Revenue Code. We refer to the compensation that exceeds these limits as excess compensation. For 2013, compensation in excess of \$255,000 constitutes excess compensation. Under the SERP, each year we credit to the account of a participant an amount equal to 13% of the executive's excess compensation, which is then deemed to be invested in our Common Stock. Payout of an executive's account, which is subject to tax liability, occurs upon termination of the executive's employment and is made in shares of our Common Stock. Therefore, the ultimate value of the shares paid out under the SERP will depend on the performance of our Common Stock during the period an executive participates in the SERP. All of the named executive officers participate in the SERP. See the Non-qualified Deferred Compensation table and accompanying narrative for additional information.

Deferred Compensation Plan This plan provides an opportunity for executives to defer payment of their short-term incentive award to the extent that such award, together with other relevant compensation, constitutes excess compensation. In advance of the year in which the short-term incentive award will be paid, an executive may elect to defer all or part of his or her eligible incentive award into a notional investment in our Common Stock, in an interest-bearing account or in both. A participant generally may elect to have the value of his or her account distributed following retirement, either in a lump sum or in up to five annual installments, or in the form of an in-service distribution, payable either in a lump sum or in up to four annual installments commencing on a date specified by the participant in his or her distribution election. Payments may commence sooner upon the participant's earlier separation from service, upon the death of the participant, in the event of an unforeseeable financial emergency or upon a change of control. Payments from the notional Common Stock fund are made in shares of our Common Stock, while payments from the interest-bearing account are paid in cash. Messrs. Hermance and Mandos participate in the Deferred Compensation Plan. See the Non-qualified Deferred Compensation table and accompanying narrative for additional information.

Supplemental Senior Executive Death Benefit Program Under this program, Mr. Hermance has entered into an agreement that requires us to pay death benefits to his designated beneficiaries and to pay benefits to him under certain circumstances during his lifetime. If a covered executive dies before retirement or before age 65 while on disability retirement, the executive's beneficiary will receive monthly payments of up to \$8,333 from the date of the executive's death until the date he or she would have attained age 80. If a covered executive retires, or reaches age 65 while on disability retirement, the Program provides for a maximum benefit of \$100,000 per year for a period of 10 years. We have purchased an insurance policy on the life of Mr. Hermance to fund our obligations under the Program. See the Pension Benefits table and accompanying narrative for additional information.

2004 Executive Death Benefit Plan This plan provides for retirement benefits or, if the executive dies before retirement, a death benefit. Generally, if the executive dies before retirement, the executive's beneficiary will receive a monthly payment of \$8,333 until the participant would have reached age 80. If the executive retires (either at age 65 or after attaining age 55 with at least five years of service) the executive will be entitled to receive a distribution based on the value of his account in the plan, which is determined by gains or losses on, and death benefits received under, a pool of insurance policies that we own covering the lives of participants. Messrs. Mandos, Zapico, Jones and Hardin participate in this plan. See the Non-qualified Deferred Compensation table and accompanying narrative for further information.

Change of Control Agreements We have change of control agreements with each of our executive officers, which are described under Potential Payments Upon Termination or Change of Control. We entered into these change of control agreements so that our executives can focus their attention and energies on our business during periods of uncertainty that may occur due to a potential change of control. In addition, we want our executives to support a corporate transaction involving a change of control that is in the best interests of our stockholders, even though the transaction may have an effect on the executive's continued employment with us. We believe these arrangements provide an important incentive for our executives to remain with us. Our agreement with each executive other than Mr. Hermance provides for payments and other benefits to the executive if we terminate the executive's employment without cause or if the executive terminates employment for good reason within two years following a change of control. Mr. Hermance's change of control agreement differs from those of the other named executive officers with respect to the amount of the payment and the scope of the benefits upon the change of control events and does not have the two-year limit applicable to the other executives following the change of control. Given the critical nature of his role as Chief Executive, his tenure with us, and our interest in retaining his services, we believe that it is appropriate to provide Mr. Hermance with this protection so that he is free to focus all of his attention on the growth and future of the Company, even in a period following a change of control. We believe that the incentive provided by these additional benefits is well worth any potential cost. For these same reasons, we also have agreed to provide payments and other benefits to Mr. Hermance if, outside of the context of a change of control, we terminate his employment without cause or he terminates his employment for good reason. In addition, Mr. Hermance's agreement differs from the other agreements with respect to payments that exceed the limitations under Section 280G of the Internal Revenue Code. The other executives' agreements limit the payments made upon a change of control to the maximum amount that may be paid without an excise tax and loss of corporate tax deduction under Sections 4999 and 280G of the Internal Revenue Code. Mr. Hermance's agreement does not contain this limitation as discussed under Tax Considerations below.

Tax Considerations

Under Section 162(m) of the Internal Revenue Code, a publicly held corporation may not deduct more than \$1 million in a taxable year for certain forms of compensation made to the chief executive officer and any of the three most highly compensated executive officers, other than the chief financial officer. Our policy is generally to preserve the federal income tax deductibility of compensation paid to our executives, and certain of our equity awards have been structured to preserve deductibility under Section 162(m). Nevertheless, we retain the flexibility to authorize compensation that may not be deductible if we believe it is in the best interests of our Company. In 2013, the vesting of restricted stock resulted in compensation paid to our named executive officers that is non-deductible under Section 162(m).

Under Mr. Hermance's change of control agreement, our payments to Mr. Hermance may exceed the limitations under Section 280G of the Internal Revenue Code, and therefore a portion of the payments may not be deductible. In addition, we will make an additional payment to Mr. Hermance if payments to him resulting from a change of control are subject to the excise tax imposed by Section 4999 of the Internal Revenue Code. We did not wish to have the provisions of Mr. Hermance's agreement serve as a disincentive to his pursuit of a change of control that otherwise might be in the best interests of our Company and its stockholders. Accordingly, we determined to provide a payment to reimburse Mr. Hermance for any excise taxes payable in connection with the change-of-control payment, as well as any taxes that accrue as a result of our reimbursement. We believe that, in light of Mr. Hermance's outstanding record in enhancing value for our stockholders, this determination is appropriate.

Role of Executive Officers in Determining Executive Compensation For Named Executive Officers

In connection with 2013 compensation, Mr. Hermance, aided by our human resources department, provided statistical data and recommendations to the Compensation Committee to assist it in determining compensation levels. Mr. Hermance did not make recommendations as to his own compensation. While the Compensation Committee utilized this information, and valued Mr. Hermance's observations with regard to other executive officers, the ultimate decisions regarding executive compensation were made by the Compensation Committee.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis required by Securities and Exchange Commission regulations. Based on its review and discussions, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted,

The Compensation Committee:

Charles D. Klein, Chairperson

James R. Malone

Elizabeth R. Varet

Dennis K. Williams

Dated: March 28, 2014

COMPENSATION TABLES

SUMMARY COMPENSATION TABLE 2013

The following table provides information regarding the compensation of our Chief Executive Officer, Chief Financial Officer and other three most highly compensated executive officers.

Name and Principal Position	Year	Salary	Bonus	Stock Awards (1)	Option Awards (2)	Non-Equity Incentive Plan Compensation (3)	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation (5)	Total
							Earnings (Losses) (4)		
Frank S. Hermance Chairman of the Board and Chief Executive Officer	2013	\$ 1,136,100	\$ 227,220	\$ 1,708,001	\$ 1,598,600	\$ 908,880	\$ 33,000	\$ 333,613	\$ 5,945,414
	2012	1,082,000	432,800	1,822,690	1,627,342	983,852	393,406	378,615	6,720,705
	2011	1,040,000	416,000	1,664,328	1,142,362	1,601,600	394,964	443,138	6,702,392
Robert R. Mandos Executive Vice President Chief Financial Officer	2013	440,000	42,900	512,567	479,651	231,660	12,563	78,781	1,798,122
	2012	366,000	57,235	274,961	245,551	194,848	174,489	66,327	1,379,411
David A. Zapico Executive Vice President Chief Operating Officer	2013	550,000	113,520	638,205	597,125	314,231		115,697	2,328,778
	2012	424,000	82,680	299,270	266,904	235,399	126,609	82,627	1,517,489
	2011	400,000	50,180	286,783	196,642	461,175	62,644	105,709	1,563,133
Timothy N. Jones President Electromechanical Group	2013	419,000	27,235	284,667	266,450	237,757	24,629	69,609	1,329,347
	2012	403,000	52,390	287,014	256,253	227,448	192,477	70,059	1,488,641
	2011	387,500	50,375	286,783	196,642	362,191	104,739	85,009	1,473,239
John W. Hardin President Electronic Instruments	2013	414,000	53,820	284,667	266,450	167,766	27,253	92,384	1,306,340
	2012	391,500	31,555	287,014	256,253	228,446	16,113	104,122	1,315,003
	2011	380,000	40,508	286,783	196,642	334,371	(5,135)	91,974	1,325,143

- (1) The amounts shown for stock awards relate to restricted shares granted under our 2007 Omnibus Incentive Compensation Plan. These amounts are equal to the aggregate grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. For information regarding the number of shares subject to 2013 awards, other features of the awards and the grant date fair value of the awards, see the Grants of Plan-Based Awards table on page 25.
- (2) The amounts shown for option awards relate to shares granted under our 2007 and 2011 Omnibus Incentive Compensation Plans. These amounts are equal to the aggregate grant date fair value, computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. The assumptions used in determining the amounts in this column are set forth in Note 10 to our Consolidated Financial Statements on page 44 of Appendix A to this proxy statement. For information regarding the number of shares subject to 2013 awards, other features of those awards, and the grant date fair value of the awards, see the Grants of Plan-Based Awards table on page 25.
- (3)

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Represents payments under our short-term incentive program based on achievement of Companywide or operating group performance measures. See Compensation Discussion and Analysis 2013 Compensation Short-Term Incentive Program.

(Footnotes continue on following page.)

- (4) Includes, for 2013, the aggregate change in actuarial present value of the accumulated benefit under defined benefit plans as follows: Mr. Hermance, \$33,000; Mr. Mandos, \$(30,500); Mr. Zapico, \$(33,100); and Mr. Jones, \$(24,800). Also includes earnings (losses) on non-qualified deferred compensation plans, to the extent required to be disclosed under SEC regulations, as follows: Mr. Mandos, \$43,063; Mr. Zapico, \$28,081; Mr. Jones, \$49,429; and Mr. Hardin, \$27,253. The Company did not change its benefit programs for the named executive officers in 2013; the change in benefit value is attributed to underlying assumptions such as the discount rate used to calculate the actuarial present value.
- (5) Included in All Other Compensation for 2013 are the following items that exceeded \$10,000:

our contributions under our defined contribution plans, including our Supplemental Executive Retirement Plan, as follows:
Mr. Hermance, \$263,436; Mr. Mandos, \$60,943; Mr. Zapico, \$95,158; Mr. Jones, \$56,969; and Mr. Hardin, \$71,246.

dividends on restricted stock and the interest on the dividend balance, which totaled \$34,261 for Mr. Hermance, and are subject to forfeiture if the related restricted stock does not vest.

perquisites which totaled \$34,401 for Mr. Hermance, \$11,533 for Mr. Mandos, \$12,778 for Mr. Zapico, and \$14,996 for Mr. Hardin. Perquisites included automobile allowances for all of the named executive officers and country club dues for Mr. Hermance.

GRANTS OF PLAN-BASED AWARDS 2013

The following table provides details regarding plan-based awards granted to the named executive officers in 2013.

Name	Grant Date	Threshold	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards(1)		All Other Stock Awards: Number of Shares of Stock or Units (2)	All Other Option Awards: Number of Securities Underlying Options (3)	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards (4)
			Target	Maximum				
Frank S. Hermance	2/15/13		\$ 908,880	\$ 1,817,760				N/A
	5/08/13				40,920	157,310	\$ 41.74	\$ 3,306,601
Robert R. Mandos	2/15/13		257,400	514,800				N/A
	5/08/13				12,280	47,200	41.74	992,218
David A. Zapico	2/15/13		374,000	748,000				N/A
	5/08/13				15,290	58,760	41.74	1,235,330
Timothy N. Jones	2/15/13		245,115	490,230				N/A
	5/08/13				6,820	26,220	41.74	551,117
John W. Hardin	2/15/13		242,190	484,380				N/A
	5/08/13				6,820	26,220	41.74	551,117

- (1) These targets were established under our short-term incentive program. See Compensation Discussion and Analysis 2013 Compensation Short-Term Incentive Program for information regarding the criteria applied in determining the amounts payable under the awards. There were no threshold amounts payable under the short-term incentive program. The actual amounts paid with respect to these awards are included in the Bonus and Non-Equity Incentive Plan Compensation columns in the Summary Compensation Table on page 23. Targets reflect the October 1, 2013 salary for each individual, as required by the program.
- (2) The stock awards constitute restricted shares granted under our 2007 Omnibus Incentive Compensation Plan. These shares become vested on the earliest to occur of (a) the closing price of our Common Stock on any five consecutive days equaling or exceeding \$83.48 per share, (b) the death or permanent disability of the grantee, (c) the termination of the grantee's employment with us in connection with a change of control, or (d) the fourth anniversary of the date of grant, namely May 8, 2017, provided the grantee has been employed by us continuously through that date. In the event of the grantee's attainment of at least 55 years of age and at least 10 years of service with the Company prior to the fourth anniversary of the date of grant, then a ratable vesting schedule will apply whereby 25% of the restricted stock shall become nonforfeitable annually on the next anniversary of the date of grant if the grantee is still employed by the Company on such anniversary. Cash dividends are earned on the restricted shares but are not paid until the restricted shares vest. Until the restricted stock vests, the dividends accrue interest at the 5-year Treasury note rate plus 0.5%, compounded quarterly.
- (3) The option awards constitute stock options granted under our 2007 and 2011 Omnibus Incentive Compensation Plans. Stock options become exercisable as to 25% of the underlying shares on each of the first four anniversaries of the date of grant. Options generally become fully exercisable in the event of the grantee's death or permanent disability, normal retirement or termination of employment in connection with a change of control.
- (4) The grant date fair value is computed in accordance with ASC 718, but without giving effect to estimated forfeitures related to service-based vesting conditions. The assumptions used in determining the grant date fair value of option awards in this column are set forth in Note 10 to our Consolidated Financial Statements on page 44 of Appendix A to this proxy statement.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2013

The following table provides details regarding outstanding equity awards for the named executive officers at December 31, 2013.

Name	Option Grant Date	Option Awards (1)				Stock Awards (2)	
		Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (3)
Frank S. Hermance	4/23/2008	291,352		21.6000	4/22/2015	108,972	\$ 5,739,555
	4/23/2009	451,462		14.5378	4/22/2016		
	4/29/2010	251,841	83,949	19.5867	4/28/2017		
	5/03/2011	75,420	75,420	29.8267	5/02/2018		
	5/01/2012	47,557	142,673	34.0467	4/30/2019		
	5/08/2013		157,310	41.7400	5/07/2020		
Robert R. Mandos	4/29/2010	21,807	7,272	19.5867	4/28/2017	25,963	
	5/03/2011	7,574	7,576	29.8267	5/02/2018		
	5/01/2012	7,176	21,528	34.0467	4/30/2019		
	5/08/2013		47,200	41.7400	5/07/2020		