ITT Corp
Form DEF 14A
March 29, 2010

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SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant þ

Filed by a Party other than the Registrant o

Check the appropriate box:

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

ITT Corporation
(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

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

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 29, 2010

Steven R. Loranger
Chairman, President and Chief Executive Officer

ITT Corporation

1133 Westchester Avenue
White Plains, NY 10604-3543

Dear Fellow Shareholders:

Enclosed are the Notice of Annual Meeting and Proxy Statement for ITT s 2010 Annual Meeting of Shareholders. This year s meeting is intended to address only the business included on the agenda. Details of the business to be conducted at the Annual Meeting are given in the accompanying Notice of Annual Meeting and Proxy Statement, which provides information required by applicable laws and regulations.

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

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

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

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

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

Sincerely,

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March 29, 2010

NOTICE OF 2010 Annual Meeting

Time:	10:30 a.m. Eastern Time, on Tuesday, May 11, 2010
Place:	1133 Westchester Avenue, White Plains, NY 10604-3543
Items of Business:	1. Election of ten members of the Board of Directors
	2. Ratification of the appointment of Deloitte & Touche LLP as ITT s Independent Registered Public Accounting Firm for 2010
	3. To vote on Shareholder Proposals, if Properly Presented at the Meeting
	Such other business, including a shareholder proposal, if properly presented at the meeting
Who May Vote:	You can vote if you were a shareholder at the close of business on March 17, 2010, the record date
Annual Report to Shareholders and Annual Report on Form 10-K:	Copies of our 2009 Annual Report on Form 10-K and Annual Report to Shareholders are provided to shareholders.
Mailing Date:	Beginning March 29, 2010, this Notice and the 2010 Proxy Statement are being distributed to shareholders of record on March 17, 2010.
About Proxy Voting:	Your vote is important. Proxy voting permits shareholders unable to attend the Annual Meeting to vote their shares through a proxy. Most shareholders are unable to attend the Annual Meeting. By appointing a proxy, your shares will be represented and voted in accordance with your instructions. If you do not provide instructions on how to vote, the proxies will vote as recommended by the Board of Directors. You can vote your shares by completing and returning your proxy card. Most shareholders can also vote shares by following the Internet or telephone voting instructions provided on the proxy card. You can change your voting instructions or revoke your proxy at any time prior to the Annual Meeting by following the instructions on pages 1 to 4 of this proxy and on the proxy card.

INTERNET AVAILABILITY OF PROXY MATERIALS

In accordance with U.S. Securities and Exchange Commission rules, we are using the Internet as our primary means of furnishing proxy materials to shareholders. Because we are using the

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Internet, most shareholders will not receive paper copies of our proxy materials. We will instead send these shareholders a Notice of Internet Availability of Proxy Materials with instructions for accessing the proxy materials, including our proxy statement and annual report, and voting via the Internet. The Notice of Internet Availability of Proxy Materials also provides information on how shareholders may obtain paper copies of our proxy materials if they so choose.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be held on Tuesday, May 11, 2010 at 10:30 a.m. at 1133 Westchester Avenue, White Plains, NY 10604-3543. The Company s 2010 Proxy Statement, 2009 Annual Report on Form 10-K and Annual Report to Shareholders will be available online at https://www.proxydocs.com/itt.

By order of the Board of Directors,

Burt M. Fealing
Vice President and Corporate Secretary

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2010 Proxy Statement

Why did I receive these proxy materials? Beginning March 29, 2010, this Proxy Statement is being provided to shareholders who were shareholders as of the March 17, 2010 record date, as part of the Board of Directors solicitation of proxies for ITT s 2010 Annual Meeting and any postponements or adjournments thereof. This Proxy Statement and ITT s 2009 Annual Report to Shareholders and Annual Report on Form 10-K (which have been furnished to shareholders eligible to vote at the 2010 Annual Meeting) contain information that the Board of Directors believes offers an informed view of ITT Corporation (herein referred to as ITT or the Company) and meets the regulations of the Securities and Exchange Commission (the SEC) for proxy solicitations.

Who is entitled to vote? You can vote if you owned shares of the Company s common stock as of the close of business on March 17, 2010, the record date.

What items of business will I be voting on? You are voting on the following items of business, which are described on pages 7 to 19:

1. Election of ten members of the Board of Directors.

2. Ratification of the appointment of Deloitte & Touche LLP as ITT s Independent Registered Public Accounting Firm for 2010.

3. Such other matters, including shareholder proposals, if such proposals are properly presented at the meeting.

Information about Voting

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

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

By the Internet,

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

By Mail.

Why does the Board solicit proxies from shareholders? Since it is impractical for all shareholders to attend the Annual Meeting and vote in person, the Board of Directors recommends that you appoint the three people named on the accompanying proxy card to act as your proxies at the 2010 Annual Meeting.

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

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

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

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What happens if I return my proxy without indicating how I want my shares voted? If your shares are held by a broker and you return the proxy without specifying how you want your shares voted, your broker will be unable to vote your shares for the election of directors or agenda items three and four with respect to the shareholder proposals. You are giving discretionary authority to the proxies to vote your shares for agenda item two in accordance with the recommendation of the Board of Directors, which is described on pages 12 to 15. If any other matters are properly presented for consideration at the 2010 Annual Meeting, the persons named as proxies will have discretion to vote on these matters according to their best judgment to the same extent as the person delivering the proxy would be entitled to vote.

There are four formal items, including shareholder proposals, scheduled to be voted upon at the Annual Meeting as described on page 1. As of the date of this Proxy Statement, the Board of Directors is not aware of any business other than as described in this Proxy Statement that will be presented for a vote at the 2010 Annual Meeting.

If I don t return the proxy card for vote at the 2010 Annual Meeting, what happens to my vote? If your shares are held by a broker, bank or other owner of record, your shares can be voted by the broker for agenda item two, the ratification of Deloitte & Touche LLP as the Company s Independent Registered Public Accounting Firm (Deloitte). Your broker does not have discretion to vote your shares held in street name on the other proposed agenda items. If you provide no instructions on how to vote on the remaining agenda items, the vote will be a broker non-vote which means that the broker cannot vote shares with respect to that agenda item. Under Indiana law, the law of the state where the Company is incorporated, broker non-votes and abstentions are counted to determine whether there is a quorum present.

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

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

How many shares of ITT stock are outstanding? As of March 17, 2010, the record date, 183,269,321 shares of ITT common stock were outstanding.

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

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

What is the difference between a beneficial owner and a registered owner? If shares you own are held in an ITT savings plan for salaried or hourly employees, a stock brokerage account, bank or by another holder of record, you are considered the beneficial owner because someone else holds the shares on your behalf. If the shares you own are held in a Morgan Stanley Smith Barney account for restricted shares or registered in your name directly with The Bank of New York Mellon, our transfer agent, you are the registered owner and the shareholder of record.

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

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

How many shares are held by participants in the ITT employee savings plans? As of March 17, 2010, the record date, Wells Fargo Institutional Trust Services, as the trustee for the employee salaried savings plan, held 9,061,732 shares of ITT common stock (approximately 4.9% of the outstanding shares) and The Northern Trust Company, as the trustee for the hourly employees savings plans, held 543,542 shares of ITT common stock (approximately 0.30% of the outstanding shares).

Who counts the votes? Is my vote confidential? Representatives of Broadridge count the votes. Representatives of IVS Associates, Inc. will act as Inspectors of Election for the 2010 Annual Meeting. The Inspectors of Election monitor the voting and certify whether the votes of shareholders are kept in confidence in compliance with ITT s confidential voting policy.

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

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

How does a shareholder submit a proposal for the 2011 Annual Meeting? Rule 14a-8 of the Securities Exchange Act of 1934, or the Exchange Act, establishes the eligibility requirements and the procedures that must be followed for a shareholder proposal to be included in a public company s proxy materials. Under the rule, if a shareholder wants to include a proposal in ITT s proxy materials for its next Annual Meeting, the proposal must be received by ITT at its principal executive offices on or before November 29, 2010 and comply with eligibility requirements and procedures. An ITT shareholder who wants to present a matter for action at ITT s next Annual Meeting, but chooses not to do so under Exchange Act Rule 14a-8, must deliver to ITT, at its principal executive offices, on or before November 29, 2010 a written notice to that effect. In either case, as well as for shareholder nominations for Directors, the shareholder must also comply with the requirements in the Company s By-laws with respect to a shareholder properly bringing business before the Annual Meeting. (You can request a copy of the By-laws from the Secretary of ITT.)

Can a shareholder nominate Director Candidates? The Company s By-laws permit shareholders to nominate Directors at the Annual Meeting. To make a Director nomination at the 2011 Annual Meeting, you must submit a notice with the name of the candidate on or before November 29, 2010 to the Secretary of ITT. The nomination and notice must meet all other qualifications and requirements of the Company s Governance Principles, By-laws and Regulation 14A of the Exchange Act. The nominee will be evaluated by the Nominating and Governance Committee of the Board using the same standards as it uses for all Director nominees. These standards are discussed in further detail below at pages 23 to 24 under Information about the Board of Directors-Director Selection and Composition. No one may be nominated for election as a Director after he or she has reached 72 years of age. (You can request a copy of the nomination requirements from the Secretary of ITT.)

Stock Ownership Information

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

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

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

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

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Compliance with the guidelines is monitored periodically. Consistent with the guidelines, the share ownership levels have been substantially met for most Non-Management Directors and Company officers as of January 31, 2010. Non-Management Directors and Company officers are afforded a reasonable period of time to meet the guidelines. The Company has taken the continuing world financial crisis, individual tenure, and Non-Management Directors and corporate officer share ownership levels prior to the crisis into account in determining compliance with the guidelines.

Share Ownership Guideline Summary

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

The following table shows, as of January 31, 2010, the beneficial ownership of ITT common stock and options exercisable within 60 days by each Director, by each of the executive officers named in the Summary Compensation Table at page 60, and by all Directors and executive officers as a group. In addition, with respect to Mr. Loranger and Non-Management Directors, we have provided information about ownership of restricted stock units that provides economic linkage to ITT common stock but does not represent actual beneficial ownership of shares.

Stock Ownership of Directors and Executive Officers

		Amount and Nature of Beneficial Ownership				
Name of Beneficial Owner	**Title of Class ITT Common Stock**	**Total Shares Beneficially Owned(1)**	**ITT Common Stock Shares Owned**	**Options(2)**	**Stock Units**	**Percentage of Class**
Steven R. Loranger(3)(4)	Common Stock	833,412	206,366	538,635	88,411	0.456%
Curtis J. Crawford	Common Stock	54,844	33,011	19,638	2,195	0.030%
Christina A. Gold	Common Stock	44,345	22,512	19,638	2,195	0.024%
Ralph F. Hake	Common Stock	31,321	13,048	16,078	2,195	0.017%
John J. Hamre	Common Stock	40,480	18,647	19,638	2,195	0.022%
Paul J. Kern	Common Stock	5,275	1,016	2,064	2,195	0.003%
Frank T. MacInnis	Common Stock	37,940	16,107	19,638	2,195	0.021%
Surya N. Mohapatra	Common Stock	9,644	3,697	3,752	2,195	0.005%
Linda S. Sanford	Common Stock	45,300	23,467	19,638	2,195	0.025%
	Common Stock	36,954	15,121	19,638	2,195	0.020%

Markos I. Tambakeras						
Denise L. Ramos	Common Stock	31,266	31,266			0.017%
Gretchen W. McClain	Common Stock	137,629	80,416	57,213		0.075%
David F. Melcher	Common Stock	17,835	7,721	10,114		0.010%
Scott A. Crum	Common Stock	69,614	21,599	48,015		0.038%
All Directors and Executive Officers as a Group	Common Stock	1,683,582	570,753	1,004,663	108,166	0.921%(5)

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(1) With respect to Mr. Loranger and certain Non-Management Directors, total shares beneficially owned include restricted stock units that have vested but are deferred until a later date.

(2) More detail on outstanding option awards is provided in the 2009 Outstanding Equity Awards at Fiscal Year-End table at page 68. Ms. Ramos outstanding options, reported on page 68, are not exercisable within sixty days.

(3) On June 28, 2004, Mr. Loranger received an award of 250,000 Restricted Stock Units (RSUs) under the ITT Corporation 2003 Equity Incentive Plan (the 2003 Plan), as amended and restated, in connection with his employment agreement. One-third of the units, approximately 85,342 units, vested on June 28, 2007, one-third of the units, approximately 86,265 units, vested on June 28, 2008 and the remaining one-third of the units will vest on June 28, 2010. One-half of the vesting RSUs settle upon the vesting date and one-half of the vesting RSUs settle within ten days of Mr. Loranger s termination of employment. During the restriction period, Mr. Loranger may not vote the shares but is credited for RSU dividends.

(4) Mr. Loranger received credit for 3,158 restricted stock units as dividends during 2009.

(5) Percentage of class includes restricted stock units.

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

As of January 31, 2010, all Non-Management Directors and executive officers as a group owned 0.921% of the shares deemed to be outstanding. No individual Non-Management Director or executive officer owned in excess of one percent of the shares deemed to be outstanding.

Schedule 13G Filings

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

Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of Class
Barrow, Hanley, Mewhinney & Strauss, LLC(1) 2200 Ross Avenue, 31st Floor Dallas, TX 75201-2761	12,523,837	6.85%
Vanguard Windsor Funds-Vanguard Windsor II Fund(2) 100 Vanguard Blvd. Malvern, PA 19355	11,021,220	6.03%
BlackRock, Inc.(3)	9,800,271	5.36%

40 East 52nd Street
New York, NY 10022

(1) As reported on Schedule 13G/A dated February 9, 2010, Barrow, Hanley, Mewhinney & Strauss, LLC has sole voting power with respect to 1,046,835 shares, shared voting power with respect to 11,477,002 shares, and sole dispositive power with respect to 12,523,837 shares.

(2) As reported on Schedule 13G/A dated February 1, 2010, Vanguard Windsor Funds Vanguard Windsor II Fund, has sole voting power with respect to 11,021,220 shares.

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(3) As reported on Schedule 13G dated January 20, 2010, BlackRock, Inc. has sole voting power with respect to 9,800,271 shares and sole dispositive power with respect to 9,800,271 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires that the Company s executive officers and directors, and any persons beneficially owning more than 10% of a registered class of the Company s equity securities, file reports of ownership and changes in ownership with the SEC within specified time periods. To the Company s knowledge, based upon a review of the copies of the reports furnished to the Company and written representations that no other reports were required, all filing requirements were satisfied in a timely manner for the year ended December 31, 2009.

Proposals to be Voted on at the 2010 Annual Meeting

1. Election of Directors

The Board of Directors has nominated ten individuals for election as Directors at the 2010 Annual Meeting. Each of the nominees is currently serving as a Director of ITT and has agreed to continue to serve if elected until his or her retirement, resignation or death. If unforeseen circumstances arise before the 2010 Annual Meeting and a nominee becomes unable to serve, the Board of Directors could reduce the size of the Board or nominate another candidate for election. If the Board nominates another candidate, the proxies could use their discretion to vote for that nominee. Each Director elected at the 2010 Annual Meeting will be elected to serve as a Director until ITT s next Annual Meeting.

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

Steven R. Loranger
Chairman, President and Chief Executive Officer,
ITT Corporation

Director Biographical Information: Mr. Loranger, 58, was appointed President and Chief Executive Officer and elected a Director of ITT on June 28, 2004. He was elected Chairman of the Board of Directors on December 7, 2004. Mr. Loranger is a member of the Business Roundtable, serves on the boards of the National Air and Space Museum and the Congressional Medal of Honor Foundation and is on the Executive Committee of the Aerospace Industries Association Board of Governors. Mr. Loranger received bachelor s and master s degrees in science from the University of Colorado.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. Loranger has extensive operational and manufacturing experience with industrial companies. Mr. Loranger previously served as Executive Vice President and Chief Operating Officer of Textron, Inc. from 2002 to 2004, overseeing Textron s manufacturing businesses, including aircraft and defense, automotive, industrial products and components. From 1981 to 2002, Mr. Loranger held executive positions at Honeywell International Inc. and its predecessor company, AlliedSignal, Inc., including serving as President and Chief Executive Officer of its Engines, Systems and Services businesses. He also serves as a Director on the Board of FedEx Corporation, providing additional relevant experience.

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

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Curtis J. Crawford, Ph.D.
President and Chief Executive Officer,
XCEO, Inc., a leadership and corporate governance consulting firm

Director Biographical Information: Dr. Crawford, 62, is President and Chief Executive Officer of XCEO, Inc. He is a member of the Board of Trustees of DePaul University. He received a B.A. degree in business administration and computer science and an M.A. degree from Governors State University, an M.B.A. from DePaul University and a Ph.D. from Capella University. Governors State University awarded him an honorary doctorate in 1996 and he received an honorary doctorate degree from DePaul University in 1999.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Dr. Crawford is an expert on corporate governance and the author of three books on leadership and corporate governance. He has significant experience leading high-technology companies. From April 1, 2002 to March 31, 2003, he served as President and Chief Executive Officer of Onix Microsystems, a private photonics technology company. He was Chairman of the Board of Directors of ON Semiconductor Corporation from September 1999 until April 1, 2002. Previously, he was President and Chief Executive Officer of ZiLOG, Inc. from 1998 to 2001 and its Chairman from 1999 to 2001. Dr. Crawford has extensive executive experience with AT&T Corporation and IBM Corporation. He also serves on the Board of E.I. DuPont de Nemours and Company, providing additional relevant experience.

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

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

Director Biographical Information: Mrs. Gold, 62, has been President and Chief Executive Officer of The Western Union Company, a leading company in global money transfer, since September 2006. From May 2002 to September 2006, Mrs. Gold was President of Western Union Financial Services, Inc. and Senior Executive Vice President of Western Union s parent company, First Data Corporation. She serves as a Director of New York Life Insurance, a mutual company. Mrs. Gold is a graduate of Carleton University, Ottawa, Canada.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: As President and Chief Executive Officer of The Western Union Company, Mrs. Gold has extensive experience as the Chief Executive Officer of a public company with wide-ranging global leadership, management, and marketing experience. From October 1999 to May 2002, she was Chairman, President and Chief Executive Officer of Excel Communications, Inc. Mrs. Gold served as President and Chief Executive Officer of The Beaconsfield Group from March 1998 to October 1999. From 1997 to 1998, Mrs. Gold was Executive Vice President of Global Development of Avon Products, Inc., and from 1993 to 1997, she was President of Avon North America. Mrs. Gold was recognized in 2003, 2006 and 2008 by *Fortune* magazine as one of America s 50 Most Powerful Women in Business and by *Forbes* magazine on its 100 Most Powerful Women list as

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No. 56 in 2007, No. 90 in 2008, and No. 76 in 2009. *BusinessWeek* also named her as one of the top 25 U.S. managers in 1996.

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

Ralph F. Hake
Former Chairman and Chief Executive,
Maytag Corporation, a home and commercial appliance company

Director Biographical Information: Mr. Hake, 61, was Chairman and Chief Executive of Maytag Corporation from June of 2001 to March of 2006. Mr. Hake is a 1971 business and economics graduate of the University of Cincinnati and holds an M.B.A. from the University of Chicago.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Mr. Hake has extensive global management and financial experience. He served as Executive Vice President and Chief Financial Officer for Fluor Corporation, an engineering and construction firm from 1999 to 2001. From 1987 to 1999, Mr. Hake served in various executive capacities at Whirlpool Corporation, including Chief Financial Officer and Senior Executive Vice President for global operations. Mr. Hake also served on the Board of Directors for the National Association of Manufacturers and was Chairman of the group s taxation and economic policy group. He also serves as a Director of Owens-Corning Corporation, providing additional relevant experience.

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

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

Director Biographical Information: Dr. Hamre, 59, was elected President and Chief Executive Officer of CSIS in April of 2000. Prior to joining CSIS, he served as U.S. Deputy Secretary of Defense from 1997 to 2000 and Under Secretary of Defense (Comptroller) from 1993 to 1997. Dr. Hamre is a Director of MITRE Corporation, a not-for-profit organization chartered to work in the public interest, with expertise in systems engineering, information technology, operational concepts, and enterprise modernization. He received a B.A. degree, with highest distinction, from Augustana College in Sioux Falls, South Dakota, was a Rockefeller Fellow at Harvard Divinity School and was awarded a Ph.D., with distinction, from the School of Advanced International Studies, Johns Hopkins University, in 1978.

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

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Directorships at Public Companies for the Preceding Five Years: Dr. Hamre has been a Director of ITT since 2000. He has served as a Director of SAIC, Inc. since 2005 and Oshkosh Corporation since 2009. Dr. Hamre was previously a Director of Choicepoint, Inc. from May 2002 through September 2008.

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

Director Biographical Information: General Kern, 64, has served as a Senior Counselor to the Cohen Group since January 2005. He served as President and Chief Operating Officer of AM General LLC from August 1, 2008 to January 2010. In November 2004, General Kern retired from the United States Army as Commanding General, Army Materiel Command (AMC). General Kern graduated from the U.S. Military Academy at West Point. He holds masters degrees in both Civil and Mechanical Engineering from the University of Michigan, and he was a Senior Security Fellow at the John F. Kennedy School at Harvard University. General Kern serves on the Board of Directors of CoVant Technologies LLC, and AT Solutions, a subsidiary of CoVant Technologies.

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

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

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

Director Biographical Information: Mr. MacInnis, 63, has been Chairman of the Board and Chief Executive Officer of EMCOR Group, Inc. since April 1994. He was also President of EMCOR from April 1994 to April 1997. Mr. MacInnis is a Director of The Greater New York Chapter of the March of Dimes, ComNet Communications, LLC and The Williams Companies, Inc. Mr. MacInnis received an undergraduate degree from The University of Alberta and is a graduate of The University of Alberta Law School, Alberta, Canada.

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

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commercial and defense markets served by the Company and has a strong corporate and finance background. He is also a Director of EMCOR Group, Inc., providing additional relevant experience.

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

Surya N. Mohapatra, Ph.D.
Chairman of the Board, President and Chief Executive Officer of
Quest Diagnostics Incorporated, the nation s leading provider of diagnostic testing, information and services

Director Biographical Information: Dr. Mohapatra, 60, was appointed President and Chief Operating Officer of Quest Diagnostics Incorporated in June 1999, a Director in 2002, its Chief Executive Officer in May 2004, and Chairman of the Board in December 2004. Dr. Mohapatra joined Quest as Senior Vice President and Chief Operating Officer in 1999. Dr. Mohapatra earned a bachelor of science degree in electrical engineering from Sambalpur University in India. Additionally, he holds a master of science degree in medical electronics from the University of Salford, England, as well as a doctorate in medical physics from the University of London and The Royal College of Surgeons of England.

Director Experience, Qualifications, Attributes or Skills Relevant to Board Membership: Dr. Mohapatra has extensive international business experience with a wide-ranging operational and strategic background. He has a strong technical background, with an emphasis on Six-Sigma processes and customer-focused business practices. Prior to joining Quest, Dr. Mohapatra was Senior Vice President of Picker International, a worldwide leader in advanced medical imaging technologies, where he served in various executive positions during his 18-year tenure.
Dr. Mohapatra is also a Director at Quest Diagnostics Incorporated, providing additional relevant experience.

Directorships at Public Companies for the Preceding Five Years: Dr. Mohapatra has been a Director of ITT since February 2008. Dr. Mohapatra has been a Director of Quest Diagnostics Incorporated since 2002.

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

Director Biographical Information: Ms. Sanford, 57, was named Senior Vice President, Enterprise Transformation, IBM in January 2003. Previously, she was Senior Vice President and Group Executive, IBM Storage Systems Group, responsible for development of IBM s Enterprise Storage Server and other storage-related hardware and software. She also has held positions as General Manager, IBM Global Industries and General Manager of IBM s S/390 Division. Ms. Sanford is a member of the Women in Technology International Hall of Fame and the National Academy of Engineers. She is on the Board of Trustees of St. John s University and Rensselaer Polytechnic Institute, serves on the Board of Directors of Partnership for New York City and is a member of the Board of Directors for the Business Council of New York State, Inc. Ms. Sanford is a graduate of St. John s University and earned an M.S. degree in operations research from Rensselaer Polytechnic Institute.

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

Directorships at Public Companies for the Preceding Five Years: Ms. Sanford has been a Director of ITT since 1998.

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

Director Biographical Information: Mr. Tambakeras, 59, served as Chairman of the Board of Directors, Kennametal, Inc. from July 1, 2002 until December 31, 2006. He was also President and Chief Executive Officer of Kennametal from July 1999 through December 31, 2005. From 1997 to June 1999, Mr. Tambakeras served as President, Industrial Controls Business, for Honeywell Incorporated. He is a trustee of Arizona State University and has served for two years on the President s Council on Manufacturing. Mr. Tambakeras received a B.Sc. degree from the University of Witwatersrand, Johannesburg, South Africa and an M.B.A. from Loyola Marymount University, Los Angeles, CA.

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

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

2. Ratification of Appointment of the Independent Registered Public Accounting Firm

Subject to the shareholders ratification, the Board of Directors has appointed Deloitte & Touche LLP (Deloitte) as ITT s independent registered public accounting firm for 2010. Deloitte is a registered public accounting firm by the Public Company Accounting Oversight Board (PCAOB). Representatives of Deloitte attended all regularly scheduled meetings of the Audit Committee during 2009. The Audit Committee annually reviews and considers Deloitte s performance of the Company s Audit. Performance factors reviewed include Deloitte s:

- independence
- experience
- technical capabilities
- client service assessment
- responsiveness
- financial strength

- industry insight
- PCAOB s 2008 inspection results
- leadership
- non-audit services
- management structure
- peer review program
- commitment to quality report
- appropriateness of fees charged
- compliance and ethics programs

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

The Audit Committee discussed these considerations as well as Deloitte s fees and services with Deloitte and Company management. The Audit Committee also determined that any non-audit services (services other than those described in the annual audit services engagement letter) provided by Deloitte were permitted under the rules and regulations concerning auditor independence promulgated by the SEC and rules promulgated by the PCAOB in Rule 3526T. Representatives of Deloitte will be present at the 2010 Annual Meeting to answer questions. Representatives of Deloitte also will have the opportunity to make a statement if they desire to do so.

Independent Registered Public Accounting Firm Fees

Aggregate fees billed to the Company for the fiscal years ended December 31, 2009 and 2008 represent fees billed by the member firms of Deloitte Touche Tohmatsu, and their respective affiliates.

	Fiscal Year Ended	
	2009	2008
	(In thousands)	
Audit Fees(1)	$ 8,319	$ 10,835
Audit-Related Fees(2)	1,015	1,034
Tax Fees(3)		
Tax Compliance Services	1,163	506
Tax Planning Services	209	505
Total Tax Services	1,372	1,011
Total	$ 10,706	$ 12,880

(1) Fees for audit services billed in 2009 and 2008 consisted of:

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

Reviews of the Company s quarterly financial statements;

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

Financial accounting and reporting consultations.

(2) Fees for audit-related services billed in 2009 and 2008 consisted of:

Employee benefit plan audits;

Audits and other attest work related to acquisitions and dispositions;

Internal control advisory services; and

Other miscellaneous attest services.

(3) Fees for tax services billed in 2009 and 2008 consisted of tax compliance and tax planning and advice:

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

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

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

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

i. Transfer pricing consultations; and

ii. Tax advice related to intra-group restructuring.

	2009	**2008**
Ratio of Tax Planning and Advice to Total Fees	2.0%	3.9%

Pre-Approval of Audit and Non-Audit Services

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

The Audit Committee has determined that, where practical, all non-audit services shall first be placed for competitive bid prior to selection of a service provider. Management may select the party deemed best suited for the particular engagement, which may or may not be Deloitte. Providers other than Deloitte shall be preferred in the selection process for non-audit service-related work. The policy and its implementation are reviewed and reaffirmed on a regular basis to assure conformance with applicable rules.

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

1. Due diligence, closing balance sheet audit services, purchase price dispute support and other services related to mergers, acquisitions and divestitures;

2. Employee benefit advisory services, independent audits and preparation of tax returns for the Company s defined contribution, defined benefit and health and welfare benefit plans, preparation of the associated tax returns or other employee benefit advisory services;

3. Tax compliance and certain tax planning and advice work; and

4. Accounting consultations and support related to generally accepted accounting principles (GAAP) or government contract compliance.

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

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

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

1. Bookkeeping or other services related to the accounting records or financial statements of the Company;

2. Financial information systems design and implementation;

3. Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;

4. Actuarial services;

5. Internal auditing services;

6. Management functions or human resources services;

7. Broker-dealer, investment adviser or investment banking services; or

8. Legal services and other expert services unrelated to the audit.

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

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

3. Shareholder Proposal Report on Military Sales to Foreign Governments

Several shareholders have advised the Company that they intend to present the following resolution at the Annual Meeting. In accordance with applicable proxy regulations, the proposed resolution and supporting statement, for which the Board of Directors and the Company accept no responsibility, are set forth below. Approval of this proposal would require the affirmative vote of a majority of the outstanding shares of ITT stock present in person or by proxy and entitled to vote at the Annual Meeting. Identical shareholder proposals were received from each of the Mercy Investment Program and the Dominican Sisters of Hope, Corporate Social Responsibility, each located at 205 Avenue C, Apt. 10E New York, NY 10009; the Presbyterian Church (USA), 100 Witherspoon Street Louisville, KY 40202-1396; and the Domestic and Foreign Missionary Society of the Episcopal Church, 815 Second Avenue New York, NY 10017-4503 (collectively, the Proponents), which shareholders hold 50, 1,900, 54, and 8,100 shares respectively.

2010 ITT Industries Resolution on Foreign Military Sales

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

The United States government requested $4.54 billion in Foreign Military Financing for Fiscal Year 2008 including $3.9 billion for the Near East region (the recent 10-year agreement to increase military aid to Israel and proposed sales to Saudi Arabia may increase that amount). The U.S. government also entered into $32 billion of Foreign Military Sales agreements in Fiscal Year 2008.

In a number of recent United States combat engagements (e.g., the first Gulf War, Somalia, Afghanistan and Iraq), our troops faced adversaries who had previously received U.S. weapons or military technology. Also, during 2006-2007, U.S. arms and military training played a role in 20 of

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the world s 27 major wars, and thirteen of the top 25 U.S. arms recipients in the developing world were either undemocratic governments or regimes guilty of ongoing human rights abuses.

In the United States government s Fiscal Year 2008, ITT Industries was ranked the 11th largest Department of Defense contractor with $4.4 billion in contracts. *(Government Executive,* August 15, 2009)

On March 27, 2007, our company announced that it would pay a $50 million fine and plead guilty to two violations of the International Traffic in Arms Regulations (ITAR), one for improper handling of sensitive documents, and one for making misleading statements to the State Department s Directorate of Defense Trade Controls (DDTC).

RESOLVED: Shareholders request that the Board of Directors provide, within six months of the 2010 annual meeting, a comprehensive report, at reasonable cost and omitting proprietary and classified information, of ITT Industries foreign sales of military and weapons-related products and services.

SUPPORTING STATEMENT

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

Global security is security of all people. Weapons sold to one country can subsequently become a threat to our own security, as we have seen several times in our recent history.

We believe that this report will assist shareholders in assessing the effectiveness of newly instituted company procedures to prevent further violations of ITAR. The ability of our company to grow its military-related business depends upon the highest of ethical standards.

Therefore, we believe it is reasonable that the report include:

1. Processes used to determine and promote foreign sales;

2. Criteria for choosing countries with which to do business;

3. A description of procedures used to negotiate foreign arms sales, government-to government and direct commercial sales and the percentage of sales for each category; and

4. For the past three years, categories of military equipment or components, including dual use items, exported with as much statistical information as possible; categories of contracts for servicing/maintaining equipment; offset agreements for the past three years; and licensing and/or co-production with foreign governments.

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

Board of Directors Statement in Opposition of the Proposal
The Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.

The proposal requests that the Company provide, within six months of the 2010 annual meeting, a comprehensive report, at reasonable cost and omitting proprietary and classified information, of the foreign sales of military and weapons-related products and services by the Company (identified by its former name). The Company believes that producing the report requested by the proposal is unnecessary because sufficient information is publicly available. The Company s foreign military sales are a matter of public record through U.S. government-provided information or the news media. The Department of Defense (foreign military sales) and Department of State (direct commercial sales) provide notification of such sales to Congress and the media. Furthermore, pursuant to 15 C.F.R. Part 701, Offsets in Military Exports, under the Defense Production Act of 1950, as amended, the Company already provides offset agreement data to the Department of Commerce Bureau of Industry and Security data for its *Offsets in Defense Trade Report* (see, for example, the January 2007, 11th edition), which is publicly available and required pursuant to Section 309 of the Defense Production Act of 1950 (50 U.S.C. § 2099). Sources of publicly available information on the Company s military sales include the website of the Defense Security Cooperation Agency at *www.dsca.mil*, which lists public notices to Congress of proposed major foreign military sales under Section 36(b) of the Arms Export Control Act, as amended (which are also published in the Federal Register), as well as announcements of foreign military sales contracts, and the website of the Federation of American Scientists at *www.fas.org*, which also provides information on such public notices and other information regarding foreign military sales and direct commercial sales.

In addition, the Company s Annual Reports to Shareholders, its periodic reports on Forms 10-K and 10-Q, and its corporate website *www.itt.com* provide extensive information concerning the Company s military products and services. The Company s 2008-2009 Corporate Responsibility Report available through *http://www.itt.com/docs/responsibility/2008crr.pdf* contains detailed information about the Company s global presence and role in global security (pages 10-11). Part I of the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed with the SEC on February 26, 2010 (the 2009 Form 10-K) describes in detail the Company s Defense Electronics & Services (renamed as the Company s Defense and Information Solutions segment on January 5, 2010 and referred to herein as Defense and Information Solutions) segment and its sales and revenues statistics on pages 2 and 3. The defense business represented 58% of the Company 2009 sales and revenue. Note 21 to the Company s consolidated financial statements on pages 85-87 of the 2009 Form 10-K breaks down sales to Western Europe, Asia Pacific and the United States.

The Company also provides extensive information regarding the ITT Defense and Information Solutions business segment on a separate standalone website *www.defense.itt.com*. The website details the ITT Defense and Information Solutions business segments: Electronic Systems, Geospatial Systems, and Information Systems. Each business segment contains detailed information on the specific products sold and markets. The Company believes this disclosure provides the Company s shareholders with information concerning the Company s processes, procedures, criteria and statistics regarding foreign sales of military and weapons-related products and services.

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

For the foregoing reasons, the Board of Directors believes that this shareholder proposal is not in the best interests of the Company or in the best interests of our shareholders. **Therefore, the Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.**

4. Shareholder Proposal on Special Shareowner Meetings

A shareholder has advised the Company that he intends to present the following resolution at the Annual Meeting. In accordance with applicable proxy regulations, the proposed resolution and supporting statement, for which the Board of Directors and the Company accept no responsibility, are set forth below. Approval of this proposal would require the affirmative vote of a majority of the outstanding shares of ITT stock present in person or by proxy and entitled to vote at the Annual Meeting. A shareholder proposal was received from Mr. John Chevedden (the Proponent), which shareholder owns 100 shares.

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Special Shareowner Meetings

RESOLVED, Shareowners ask our board to take the steps necessary to amend our bylaws and each appropriate governing document to give holders of 10% of our outstanding common stock (or the lowest percentage allowed by law above 10%) the power to call a special shareowner meeting. This includes that a large number of small shareowners can combine their holdings to equal the above 10% of holders. This includes that such bylaw and/or charter text will not have any exception or exclusion conditions (to the fullest extent permitted by state law) that apply only to shareowners but not to management and/or the board.

A special meeting allows shareowners to vote on important matters, such as electing new directors, that can arise between annual meetings. If shareowners cannot call a special meeting investor returns may suffer. Shareowners should have the ability to call a special meeting when a matter merits prompt attention. This proposal does not impact our board s current power to call a special meeting.

This proposal topic won more than 60% support at the following companies in 2009: CVS Caremark (CVS), Sprint Nextel (S), Safeway (SWY), Motorola (MOT) and R. R. Donnelley (RRD). William Steiner and Nick Rossi sponsored these proposals.

The merit of this Special Shareowner Meeting proposal should also be considered in the context of the need for improvements in our company s 2009 reported corporate governance status:

The Corporate Library *www.thecorporatelibrary.com*. An independent investment research firm, rated our company D with High Governance Risk, and High Concern for executive pay $15 million for our CEO Steven Loranger. Mr. Loranger can earn 50% of his Total Shareholder Return target award if our company s TSR falls at the 35th percentile of its comparator group which is a kind of pay-for-failure or reward for underachievement. The granting of market-priced option awards raised concerns over the link between executive pay and company performance given that small increases in our company s share price can result in large financial awards. Mr. Loranger realized $9 million on the vesting of stock in 2008. Mr. Loranger could gain $52 million in severance pay if his employment ended in connection with a change in control.

Our company made a Consent Agreement with the SEC in 2009 regarding payments to foreign government officials by our company s China subsidiary that allegedly violated the Foreign Corrupt Practices Act.

We also had no shareholder right to act by written consent, cumulative voting or an independent board chairman. Shareholder proposals to address all or some of these topics have received majority votes at other companies and would be excellent topics for our next annual meeting.

The above concerns show there is need for improvement. Please encourage our board to respond positively to this proposal: Special Shareowner Meetings Yes on 4.

Notes: John Chevedden, 2215 Nelson Ave., No 205 Redondo Beach, Calif. 90278 sponsored this proposal.

Board of Directors Statement in Opposition of the Proposal
The Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.

ITT Corporation is strongly committed to good governance practices and is keenly interested in the views and concerns of our shareholders. This proposal would provide shareholders holding 10% of outstanding common shares with an unfettered right to call a special meeting. In that regard, we would observe that calling a special meeting of shareholders is not a matter to be taken lightly. We believe that a special meeting should only be held to cover extraordinary events when fiduciary, strategic, significant transactional or similar considerations dictate that the matter be addressed on an expeditious basis, rather than waiting until the next annual meeting. Organizing

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and preparing for a special meeting imposes substantial legal, administrative and distribution costs and involves a significant commitment of time and focus from management.

The proposal, if implemented, would permit shareholders holding 10% of outstanding common stock, including a large number of small shareholders who in the aggregate reach the 10% level, to call a special meeting at any time and with any frequency, regardless of the length of time that they have held these shares. If implemented, the proposal would also allow shareholders with particular interests to call special shareholder meetings solely to cover agenda items relevant to their particular interests as opposed to shareholders generally. We believe that adopting such a standard for calling special meetings would present a real risk of significant cost, management distraction and diversion of management and financial resources to address a possibly unlimited number of special meetings. We therefore believe that such a standard would not be in the best interest of shareholders.

Furthermore, the Board does not believe that there is merit to the proponent s contention that the ability of shareholders to call a special meeting of shareholders is necessary to prevent the Board from becoming insulated from investors. We provide significant opportunity for our shareholders to raise matters at our Annual Meetings. Shareholders have frequently used our Annual Meetings to propose business by making proposals through the proxy rules, such as this one, or to communicate their concerns by raising issues from the floor of the meeting. Our Board believes that we currently maintain open lines of communications with our shareholders and are committed to adopting and following best practices in corporate governance.

The Board of Directors is also responsive to shareholder input in other ways. The Board of Directors monitors ongoing public discussion of issues of governance. Indeed, the Company s bylaws provide for the election of directors by a majority (rather than a plurality) vote. The Company s bylaws have declassified the board, so that each Director stands for election annually. In the opinion of the Board of Directors, the combination of the majority vote requirement and the declassified board is an effective means of ensuring Board accountability and responsiveness to shareholder concerns. In short, when our shareholders have a desire to focus on an issue, there is already in place a meaningful process for views to be expressed and heard.

For the foregoing reasons, the Board of Directors believes that this shareholder proposal is not in the best interests of the Company or in the best interests of our shareholders. **Therefore, the Board of Directors unanimously recommends a vote AGAINST this shareholder proposal.**

Information about the Board of Directors

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

- the Company s businesses are conducted in conformity with applicable laws and regulations;
- the Company s systems of financial reporting and internal controls are adequate and properly implemented and the Company has appropriate risk management structures in place;
- there is continuity in the leadership of the Company;
- management develops sound business strategies;
- adequate capital and managerial resources are available to implement the business strategies;

the Company s long-term strategies, significant investments in new businesses, joint ventures and partnerships and significant business acquisitions, including assessment of balance sheet impacts and other financial matters, are reviewed and approved; and the Company s operating plans and capital, research and development and engineering budgets are reviewed and approved.

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

The Board has considered the leadership structure of the Company and has determined that the chief executive officer of the Company shall also serve as the Chairman of the Board of Directors. The Board feels that the combination of these two roles provides efficient and effective use of resources and that Mr. Loranger s position as Chief Executive Officer gives him unique and valuable insight into matters addressed by the Board of Directors. The Board also believes that it is important for long-term and short-term strategies to be controlled by a singular executive. However, the Board of Directors appoints an Independent Presiding Director, whose position is described more fully at Section III.G. of the Board s Corporate Governance Principles, *http://www.itt.com/responsibility/governance/principles/*. The Independent Presiding Director is available to address issues or concerns raised by other Non-Management Directors, senior executives or major shareholders not readily addressable directly to the Chairman, President and Chief Executive Officer. The Independent Presiding Director advises the Chairman, President and Chief Executive Officer and communicates any issues or concerns to or from the full Board and the Chairman, President and Chief Executive Officer. The Independent Presiding Director assists the Chairman, President and Chief Executive Officer in developing appropriate schedules and agendas for Board and Committee meetings, and acts on behalf of the Chairman, President and Chief Executive Officer and the Board as a formal coordinating point for facilitating, canvassing, reconciling and communicating board issues, concerns and recommendations. The Independent Presiding Director chairs regular meetings of the independent directors, including presiding over executive sessions. The Board of Directors has selected Ralph F. Hake as its Independent Presiding Director, to serve a one-year term, expiring in May 2010.

The Corporate Governance Principles further provide that Directors must be able to devote the requisite time for preparation and attendance at regularly scheduled Board and Board Committee meetings, as well as be able to participate in other matters necessary for good corporate governance. To help assure that Directors are able to fulfill their commitments to the Company, the Corporate Governance Principles provide that Directors who are chief executive officers of publicly traded companies may serve on not more than two public company boards (including the ITT Board) in addition to service on their own board and other Directors may not serve on more than four public company boards (including the ITT Board). The Corporate Governance Principles and Committee Charters are reviewed by the Board at least annually and posted on the Company s website at *http://www.itt.com/responsibility/governance/corporate-governance/governance-controls/*. A copy of the Corporate Governance Principles will be provided, free of charge, to any shareholder upon request to the Secretary of ITT Corporation.

Communication with the Board of Directors. Interested parties may contact the Independent Presiding Director, all outside Directors as a group or an individual Director by submitting a letter to the desired recipient in a sealed envelope labeled Independent Presiding Director, Outside Directors or with the name of a specific director. This sealed envelope should be placed in a larger envelope and mailed to the Secretary, ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, USA. The Secretary will forward the sealed envelope to the designated recipient.

Policies for Approving Related Person Transactions. The Company and the Board have adopted formal written policies for evaluation of potential related person transactions, as those

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

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

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

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

NYSE Independence Requirements:

(a) A Director qualifies as independent when the board of directors affirmatively determines that the director has no material relationship with the company, or any subsidiary in a consolidated group (either directly or as a partner, shareholder or officer of an organization that has a relationship with the company). Companies must identify which directors are independent and disclose the basis for that determination.

(b) In addition, a director is not independent if:

(i) The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company.

(ii) The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than $120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

(iii) (A) The director or an immediate family member is a current partner of a firm that is the company s internal or external auditor; (B) the director is a current employee of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and who participates in the firm s audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the listed company s audit within that time.

(iv) The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the listed company s present executive officers at the same time serves or served on that company s compensation committee.

(v) The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million, or 2% of such other company s consolidated gross revenues.

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

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

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

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

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

has not had a personal services contract with the Company;

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

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

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

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

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

In February 2010, the Board considered regular commercial sales and payments in the ordinary course of business as well as charitable contributions with respect to each of the Non-Management Directors standing for re-election at the Company s 2010 Annual Meeting. In particular, the Board evaluated the amount of sales to ITT or purchases by ITT with respect to companies where any of the Directors serve or served as an executive officer or director.

With respect to General Kern, the Nominating and Governance Committee and Board of Directors considered the employment by the Company of General Kern s family member, noting the employment was in a non-executive capacity. The Board further noted that neither General Kern

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nor the family member was aware of the relationship of the other to the Company prior to employment. After consideration, the Board determined that the employment matter did not alter General Kern s status and he continues as an independent director. In no other instances was a Director a current employee, or was an immediate family member of a Director a current executive officer, of a company that has made payments to, or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeded the greater of $1 million, or 2% of each respective company s consolidated gross revenues. The Board also considered the Company s charitable contributions to non-profit organizations with respect to each of the Non-Management Directors. No contributions exceeded 1% of the consolidated gross revenues of any non-profit organization.

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

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

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

Compensation Committee Interlocks and Insider Participation:
None of the members of the Compensation and Personnel Committee during fiscal 2009 or as of the date of this proxy statement has been an officer or employee of the Company and no executive officer of the Company served on the compensation committee or board of any company that employed any member of the Company s Compensation and Personnel Committee or Board of Directors.

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

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

The Nominating and Governance Committee identifies Director candidates through a variety of sources including personal references and business contacts. On occasion, the Nominating and Governance Committee utilizes a search firm to identify and screen Director candidates and pays a fee to that firm for each such candidate elected to the Board of the Company. The Nominating and Governance Committee will consider shareholder nominees for election to the Company s Board who meet the qualification standards described above. (See Section II.E. of the Nominating and Governance Charter at *http://www.itt.com/responsibility/governance/nominating/*.) The Nominating and Governance Committee also evaluates and makes recommendations to the Board of Directors concerning appointment of Directors to Board Committees, selection of Board Committee Chairs, Committee member qualifications, Committee member appointment and removal, Committee structure and operations and proposal of the Board slate for election at the Annual Meeting of Shareholders, consistent with criteria approved by the Board of Directors.

Committees of the Board of Directors:

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

Audit Committee

2009 Audit Committee Members are:

	Frank T. MacInnis, Chair Christina A. Gold Ralph F. Hake Surya N. Mohapatra Linda S. Sanford
Meetings in 2009:	8
Responsibilities:	Subject to any action that may be taken by the full Board, the Audit Committee has the ultimate authority and responsibility to determine Deloitte qualifications and independence, and to appoint (or nominate for shareholder ratification), evaluate, and where appropriate, consider rotation or replacement of Deloitte. Review and discuss with management and Deloitte, and approve the audited financial statements of the Company and make a recommendation regarding inclusion of those financial statements in any public filing including the Company s Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K), including discussion of the Company s disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations.

Review and consider with Deloitte matters required to be discussed by PCAOB Standards, Statement of Auditing Standards

(SAS) No. 114 (The Auditor s Communication with Those Charged with Governance) and all other applicable regulatory agencies.

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

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

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

Monitor and discuss with management and Deloitte the quality and adequacy of the Company s internal controls and their effectiveness, and meet regularly and privately with the General Auditor.

Annually request from Deloitte a formal written statement delineating all relationships between Deloitte and the Company, consistent with the Public Company Accounting Oversight Board s Rule 3526T.

With respect to such relationships, the Audit Committee shall:

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

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

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

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

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

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

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

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

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

Review expense accounts of senior executives.

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

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

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

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

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

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

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

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

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

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

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

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

Although more than one member of the Board of Directors satisfies the requirements of the audit committee financial expert, the Board of Directors has identified Ralph F. Hake as the audit committee financial expert.

Independence

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

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

Compensation and Personnel Committee

2009 Compensation and Personnel Committee Members are:

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

Meetings in 2009: 5

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

Responsibilities:

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

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

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

Select, retain and determine the terms of engagement for independent compensation and benefits consultants and other outside counsel, as needed, to provide independent advice to the Committee with respect to the Company s current and proposed executive compensation and employee benefit programs. In 2009 and prior years, the Committee obtained such advice.

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

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

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

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

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

More detail regarding the processes and procedures used to determine executive compensation is found in the Compensation Discussion and Analysis starting on page 39.

Independence

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

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

Corporate Responsibility Committee

2009 Corporate Responsibility Committee Members are:

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

Meetings in 2009: The Corporate Responsibility Committee held one meeting in 2009, concurrent with a Board of Directors meeting.

Responsibilities:

Review and make recommendations concerning the Company s roles and responsibilities as a good corporate citizen.

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Review and consider major claims and litigation involving the Company and its subsidiaries.

Regularly assess the adequacy and effectiveness of the Company s Code of Corporate Conduct and review any violations of the Code.

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

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

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

Nominating and Governance Committee

2009 Nominating and Governance Committee Members are:

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

Meetings in 2009: 4

Responsibilities:

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

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

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

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

Administer the Board of Directors annual evaluation process.

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

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

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

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

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

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

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

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

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

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

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

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

As described on pages 23 to 24 the Nominating and Governance Committee will consider shareholder nominees for election to the Company s Board who meet the qualification standards. (See Section II.E of the Nominating and Governance Charter at *http://www.itt.com/responsibility/governance /nominating/*).

Independence

The Board of Directors has determined that each member of the Nominating and Governance Committee meets the independence standards set out in the Board s Nominating and Governance Committee Charter, its Corporate Governance Principles and the requirements of the New York Stock Exchange currently in effect.

A copy of the Nominating and Governance Committee Charter is available on the Company s website *(http://www.itt.com/responsibility/governance/nominating/).* The Company will provide, free of charge, a copy of the Nominating and Governance Committee Charter to any shareholder, upon request to the Secretary of ITT.

Strategy and Finance Committee

2009 Strategy and Finance Committee Members are:

Markos I. Tambakeras, Chair
Christina A. Gold
John J. Hamre

	Paul J. Kern Surya N. Mohapatra
Meetings in 2009:	4

Responsibilities:

- Receive periodic updates on global macroeconomic issues.
- Review and consider the Company s:
  - Strategic plans
  - Operations excellence performance
  - Operating plan
  - Capital structure, including stock repurchases, debt offerings and financing, and dividends
  - Corporate guarantees
  - Acquisition integration
  - Pension plan performance, style and asset allocation and ERISA compliance
  - Tax compliance, tax planning and related matters
  - Commodity hedge transactions and strategies
  - Investor relations matters
  - Risk assessment with respect to financial liquidity and financing
  - Strategic issues
- Review and recommend for approval significant business acquisitions and divestitures, and other related matters
- Review and assess its performance on an annual basis
- Review and approve its Charter at least annually and make recommendations to the Board of Directors for approval and adoption of its Charter.

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

Independence

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

Committee Charter.

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

Special Litigation Committee

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

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

Meetings of the Board and Committees

During 2009, there were five regularly scheduled Board meetings, one telephonic meeting, and 22 meetings of standing Committees. All Directors attended at least 75% of the aggregate of all meetings of the Board and standing Committees on which they served. It is Company practice that all Directors attend the Company s Annual Meeting. All Directors attended the Company s 2009 Annual Meeting. For 2010, the Board has scheduled five regular meetings. In conjunction with the regular meetings, those Directors who are not employees of ITT are scheduled to meet privately (without management) following each Board meeting during the year. The Independent Presiding Director presides over these private meetings.

2009 Non-Management Director Compensation

The following table represents the 2009 grant date fair value of Non-Management Director compensation computed in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As discussed in more detail in the narrative following the table, all Non-Management Directors receive the same cash, stock, and options awards for service as a Non-Management Director (except Mr. MacInnis as the Audit Committee Chair received an additional $10,000 cash payment). Mr. Loranger, as an employee Director, does not receive compensation for his Board service. The grant date fair value of stock awards and option awards granted to Non-Management Directors in 2009 is provided in footnotes (c) and (d) to the table. Stock awards are composed of restricted stock units. Option awards are composed of non-qualified stock options.

Name (a)	Fees Earned or Paid in Cash (b) ($)	Stock Awards (c) ($)	Option Awards (d) ($)	All Other Compensation (g) ($)	Total (h) ($)
Curtis J. Crawford	90,000	90,500	35,968	22,171	238,639
Christina A. Gold	90,000	90,500	35,968	17,857	234,325
Ralph F. Hake	90,000	90,500	35,968	7,652	224,120
John J. Hamre	90,000	90,500	35,968	13,748	230,216
Paul J. Kern	90,000	90,500	35,968	1,327	217,795

Frank T. MacInnis	100,000	90,500	35,968	10,219	236,687
Surya N. Mohapatra	90,000	90,500	35,968	2,312	218,780
Linda S. Sanford	90,000	90,500	35,968	7,912	224,380
Markos I. Tambakeras	90,000	90,500	35,968	6,408	222,876

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

(c) and (d) Awards reflect the grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in calculating these values may be found in Note 17 to the Consolidated Financial Statements in the Company s 2009 Form 10-K. Non-Management Directors do not receive differing amounts of compensation. For 2009 grants, the grant date fair value was determined on May 12, 2009, the date of the Company s Annual Meeting. For each Non-Management Director the restricted stock unit award is $90,500 and the grant date fair value of option awards on March 5, 2009, the date on which Director stock options were awarded, is $35,968.

(g) Non-Management Directors received dividends on restricted stock during 2009. No perquisites or other personal benefits were received by Non-Management Directors.

The following table represents restricted common stock and stock options outstanding as of December 31, 2009 for non-management directors. Outstanding restricted common stock awards include unvested restricted stock units and vested but deferred restricted stock units.

Non-Management Director Restricted Common Stock and Stock Option Awards Outstanding at 2009 Fiscal Year-End

Non-Management Director Name	Outstanding Restricted Common Stock Awards	Outstanding Stock Option Awards
Curtis J. Crawford	26,179	23,270
Christina A. Gold	22,403	23,270
Ralph F. Hake	9,843	19,710
John J. Hamre	17,035	23,270
Paul J. Kern	2,195	6,190
Frank T. MacInnis	12,691	23,270
Surya N. Mohapatra	3,892	7,610
Linda S. Sanford	10,163	23,270
Markos I. Tambakeras	7,666	23,270

On May 12, 2009, the Board of Directors approved compensation for Non-Management Directors consistent with allocation recommendations provided by Towers Perrin (referred to herein as Towers - on January 3, 2010 Towers Perrin and Watson Wyatt merged to form Towers Watson). In 2010, the Nominating and Governance Committee retained Pay Governance LLC, a compensation consulting firm formed by a former partner of Towers, as its consultant to assist it with a review of compensation for Non-Management Directors. As approved, for 2009, Non-Management Directors received total annual compensation valued at approximately $220,000 when awarded, as follows:

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

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

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

Additionally, the Board of Directors approved (with the Audit Committee Chair abstaining) a supplemental retainer of $10,000 in cash to be paid to Mr. MacInnis, the 2009 Audit Committee Chair, effective as of the Company s 2009 Annual Meeting to reflect the significant responsibilities and time commitments associated with leadership of that Committee.

The number of restricted stock units granted in May 2009 to all Non-Management Directors under the Non-Management Director compensation program, adopted in 2003, was determined by dividing $90,000 by $41.02, the average of the high and low sales prices per share of ITT common stock on the date of the 2009 Annual Meeting. The resulting number of restricted stock units, 2,195, was rounded up to the nearest whole unit. Directors receive dividend equivalents on the restricted stock units but have no other rights as shareholders with respect to the restricted stock units. Non-Management Director non-qualified stock option grants are priced and awarded on the same day as employee stock options are priced and awarded. The grant date fair value of Non-Management Directors non-qualified stock options is calculated using a binomial lattice valuation model. The exercise price of Non-Management Directors non-qualified stock options granted is the closing price on the grant date.

In 2008, the Compensation and Personnel and Nominating and Governance Committees retained Towers to review and compare Non-Management Director compensation components and total director compensation paid with director compensation components and total director compensation paid for those companies in the S&P® Industrials Composite with revenue comparable to ITT. Upon the recommendation of Towers and after review, the Committees recommended, and the full Board approved, an increase in overall Non-Management Director cash compensation to raise Director compensation to a level closer to the median of companies in the S&P® Industrials Composite with revenues comparable to ITT. The Board approved Non-Management Director compensation changes to be effective with the Company s 2008 Annual Meeting to increase the cash component of the Non-Management Director compensation to $90,000 and to continue providing the Audit Chair with an additional $10,000 cash payment. The components of Non-Management Director compensation are weighted toward restricted stock or restricted stock units and stock option awards to align the interests of Non-Management Directors with shareholders of the Company. The Board of Directors agreed to review Non-Management Director compensation on a biennial basis and will review Non-Management Director compensation in 2010.

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

- the fifth anniversary of the grant of the shares unless extended as described below;
- the Director retires at age 72;
- there is a Change of Control of the Company;
- the Director becomes disabled or dies;
- the Director s service is terminated in certain specified, limited circumstances; or

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

Under the 2003 Plan and the 1996 Plan, Non-Management Directors may choose to extend the restriction period for not more than two successive five-year periods, or until six months and one

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day following the Non-Management Director s termination from service from the Board under certain permitted circumstances.

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

ITT reimburses Directors for expenses they incur to travel to and from Board, Committee and shareholder meetings and for other Company-business related expenses (including travel expenses of spouses if they are specifically invited to attend an event for appropriate business purposes). Such travel may include use of the Company aircraft, if available and approved in advance by the Chairman of the Board and Chief Executive Officer. Director airfare is reimbursed at no greater than first-class travel rates.

Indemnification and Insurance. As permitted by its By-laws, ITT indemnifies its Directors to the full extent permitted by law and maintains insurance to protect the Directors from liabilities, including certain instances where it could not otherwise indemnify them. All Directors are covered under a non-contributory group accidental death and dismemberment policy that provides each of them with $750,000 of coverage. They may elect to purchase additional coverage under that policy. Non-Management Directors also may elect to participate in an optional non-contributory group life insurance plan that provides $100,000 of coverage.

Report of the Audit Committee

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

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

- determination of qualifications and independence of Deloitte;
- the appointment, compensation and oversight of Deloitte in preparing or issuing audit reports and related work;
- review of financial reports and other financial information provided by the Company, its systems of internal accounting and financial controls, and the annual independent audit of the Company s financial statements;
- oversight and review of procedures developed for consideration of accounting, internal accounting controls and auditing-related complaints;

review of risk assessment and risk management processes on a company-wide basis; and adoption of and monitoring the implementation and compliance with the Company s Non-Audit Services Policy.

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

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

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

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

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

Regular Review of Financial Statements. During 2009, the Audit Committee reviewed and discussed the Company s audited financial statements with management. The Audit Committee, management and Deloitte reviewed and discussed the Company s unaudited financial statements before the release of each quarter s earnings report and filing on Form 10-Q, and the Company s audited financial statements before the annual earnings release and filing on Form 10-K.

Communications with Deloitte. The Audit Committee has discussed with Deloitte the matters required by SAS No. 114, *Communication with Audit Committees* (SAS 114), as adopted by the PCAOB in Rule 3526T. These discussions included all matters required by SAS 114, including Deloitte s responsibilities under generally accepted auditing standards in the United States, significant accounting policies and management judgments, the quality of the Company s accounting principles and accounting estimates. The Audit Committee met privately with Deloitte four times during 2009.

Independence of Deloitte. Deloitte is directly accountable to the Audit Committee and the Board of Directors. The Audit Committee has received from Deloitte required written disclosures, including a formal written statement, setting out all the relationships between the Company and Deloitte, as adopted by the PCAOB Rule 3526T. The Audit Committee has discussed Deloitte s

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independence, any disclosed relationships and the impact of those relationships on Deloitte s independence.

Recommendation Regarding Annual Report on Form 10-K. In performing its oversight function with regard to the 2009 financial statements, the Audit Committee relied on financial statements and information prepared by the Company s management. It also relied on information provided by the internal audit staff as well as Deloitte. The Audit Committee reviewed and discussed with management the Company s audited financial statements as of and for the year ended December 31, 2009. Based on these discussions, and the information received and reviewed, the Audit Committee recommended to the Company s Board of Directors that the financial statements be included in the 2009 Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K).

This report is furnished by the members of the 2009 Audit Committee.

2009 Audit Committee:

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

Compensation Committee Report

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

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

Recommendation Regarding Compensation Discussion and Analysis

In performing its oversight function during 2009 with regard to the Compensation Discussion and Analysis prepared by management, the Compensation and Personnel Committee relied on statements and information prepared by the Company s management. It also relied on information provided by Towers, the compensation consultant to the Committee. The Committee reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management. Based on this review and discussion, the Compensation and Personnel Committee recommended to the Company s Board of Directors that the Compensation Discussion and Analysis be included in the Company s Annual Report on Form 10-K for 2009 and this Proxy Statement.

This report is furnished by the members of the 2009 Compensation and Personnel Committee.

2009 Compensation and Personnel Committee:

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

Equity Compensation Plan Information

The following sets forth information concerning the shares of common stock that may be issued under equity compensation plans as of December 31, 2009.

Plan Category	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (Thousands)	(b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (Thousands)
Equity Compensation Plans Approved by Security Holders(1)(2)	9,752(3)	$ 40.29	3,586(4)
Equity Compensation Plans Not Approved by Security Holders			
Total	9,752	$ 40.29	3,586

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

(2) Since the approval of the 2003 Plan, no additional awards, including awards of restricted stock, will be granted under the other plans referred to in footnote (1) above. Under the 2003 Plan currently in effect, restricted stock and restricted stock units may be awarded up to a maximum aggregate grant of 300,000 shares or units in any one plan year to any one participant.

(3) The weighted-average remaining contractual life of the total number of outstanding options was 3.2 years as disclosed in Note 17 to the Consolidated Financial Statements in the Company s 2009 Form 10-K.

(4) As of December 31, 2009, the number of full-value shares available for future issuance under the 2003 Plan was approximately 1,736,000, which is included in the 3,586,000 disclosed above.

Compensation Discussion and Analysis

Executive Summary

ITT s Compensation and Personnel Committee (the Committee) approves and oversees administration of the Company s executive compensation program. In this Compensation Discussion and Analysis, we explain the

Committee s executive compensation philosophy and objectives for each of the Named Executive Officers (NEOs), describe all elements of the Company s executive compensation program, and explain why the Committee selected each compensation element. ITT s compensation philosophy ties NEO compensation to business performance and share price performance to achieve long-term value creation without undue risk. Three components of executive compensation annual base salary, annual incentives and long-term incentives provide the foundation for this program. Additional compensation components, which supplement the foundational components, are also discussed in this Compensation Disclosure and Analysis.

Business Risk and Compensation: In 2009, as in past years, the Committee evaluated risk factors associated with the Company s businesses in determining compensation structure and pay practices. The structure of the Board committees facilitates this evaluation and determination. The Chair of the Committee is a member of the Audit Committee and the Audit Committee Chair is a member of the Committee. This membership overlap provides insight and access to the Company s

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business risks and affords the Committee the information necessary to consider the impact of those risks on compensation structure and pay practices. Further, enterprise risk is considered and discussed at Board meetings, providing additional important information to the Compensation and Personnel Committee. The Chairman, President and Chief Executive Officer and Chief Financial Officer attend those portions of the Committee meetings at which incentive plan features and design configuration of the Company s annual and long-term incentive plans are considered and approved.

The Committee structures executive compensation so that unnecessary or excessive risk-taking behavior is discouraged. Total compensation for senior officers is heavily weighted toward long-term compensation consistent with the Company s compensation philosophy, which is focused on long-term value creation. This weighting discourages behaviors that emphasize short-term risks.

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

Compensation Component or Policy	Risk Mitigation Factor
Salary	Based on market rates. Provides stability and minimizes incentive for risk-taking behavior.
Annual Incentive Plan (AIP)	Design emphasizes balanced growth. AIP components focus on metrics which encourage operating performance and share price appreciation. Tailored to meet unique business considerations for Corporate headquarters and groups. Individual components and total award are capped.
Long-Term Incentive Awards	
Restricted Stock	Restricted stock vests after three years.
Stock Options	Stock options vest after three years for senior vice presidents and vest in one-third cumulative annual installments after the first, second and third anniversary of the grant date for other optionees. Options awarded in 2010 and options awarded prior to 2005 expire ten years after the grant date. Options awarded between 2005 and 2009 expire seven years after the grant date. The three-year vesting threshold and seven and ten-year terms encourage long-term behaviors.
Total Shareholder Return Awards (TSR)	Based on three-year share price performance. Encourages behaviors focused on long-term goals and discourages behaviors focused on short-term risks.

Perquisites	Limited perquisites based on competitive market data.
Severance and Pension benefits	Severance and pension benefits in line with competitive market data.
Clawback Policy	Provides mechanism for senior executive compensation recapture in certain situations involving fraud or willful misconduct.

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Compensation Component or Policy	**Risk Mitigation Factor**
Officer Share Ownership Guidelines	Requires ownership of Company shares or share equivalents up to 5x base salary, depending on the level of the officer (discussed on pages 4-5). Share ownership guidelines align executive and shareholder interests.

Outside Compensation Consultant: In 2009, the Committee retained Towers as its outside compensation consultant (the Compensation Consultant). The Compensation Consultant s engagement leader provided objective, expert analyses, assessments, research and recommendations for executive and non-executive employee compensation programs, incentives, perquisites, and standards. In this capacity, the Compensation Consultant provided services that related solely to work performed for and at the direction of the Committee including analysis of material prepared by the Company for the Committee s review. The Company s human resources, finance and legal departments supported the work of the Committee, provided information, answered questions and responded to requests. Additionally, the Compensation Consultant provided analyses to the Nominating and Governance Committee and the full Board of Directors on Non-Management Director compensation. Towers also provided other services to the Company during 2009.

Fees for Compensation Consultant:

Services performed that related solely to work performed for, and at the direction of, the Committee or analyses of documents prepared by management for the Committee s review during 2009:	$301,813
Other services performed for the Company during 2009:	$1,561,917

In 2009, other non-executive compensation consulting services and advice relating to employee compensation and programs, health care and benefits were provided to the Company by an affiliate of Towers. The decision to engage Towers for non-executive compensation and benefits consulting services was made by management and was not approved by the Committee or the Board.

The Compensation Consultant s engagement leader reported directly to the Committee and had no involvement with any other work that Towers performed for the Company. The Committee annually reviewed the Compensation Consultant s independence and engaged in such a review in 2009. The Committee has sole authority to retain and terminate the Compensation Consultant. In 2010, the Committee retained Pay Governance LLC, a consulting firm formed by a former partner of Towers as its Compensation Consultant. In 2010, the Nominating and Governance Committee also retained Pay Governance LLC as its consultant to assist it with a review of compensation for Non-Management Directors.

OUR EXECUTIVE COMPENSATION PROGRAM

Overall compensation policies and programs. In 2009, as in past years, the Committee looked to competitive market compensation data for companies comparable to ITT to establish overall polices and programs that address executive compensation, benefits and perquisites. This included analyses of the Compensation Data Bank (CDB) information provided by the Compensation Consultant. The analyses used a sample of 165 companies from the S&P® Industrials Composite that were available in the CDB. The compensation data from these companies were evaluated by the Compensation Consultant for differences in scope of operation as measured by annual revenue. Appendix A to this Proxy Statement lists the sample of companies from the S&P® Industrials Composite that were used in the CDB analyses.) The Committee believes that companies in the S&P® Industrials Composite most closely reflect the labor market in which ITT competes for talent.

The Company s senior executives have responsibility for administering the executive compensation program and making recommendations to the Committee regarding executive compensation actions and incentive awards. The Committee reviewed each compensation element for the Chief Executive Officer and other NEOs, and made the final determination regarding executive compensation for these officers using the processes described in this Compensation Discussion and Analysis. All decisions with respect to compensation for Steven R. Loranger, Chairman, President and Chief Executive Officer were made by the Committee. The Committee believes the Company s compensation programs reflect the Company s overarching business rationale and are designed to be reasonable, fair, fully disclosed, and consistently aligned with long-term value creation. The Committee further believes this compensation philosophy encourages individual and group behaviors that balance risk and reward and assist the Company in achieving steady, continuous growth.

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

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

- Annual performance reviews for the prior year
- Base salary merit increases normally established in March
- Annual Incentive Plan (AIP) target awards
- Long-term incentive target awards (including stock options, restricted stock and total shareholder return (TSR) awards)

The actual award date of stock option, restricted stock and target TSR awards is determined by the date on which the Committee approves these awards. In recent years, this date has been in March. Restricted stock and stock option award recipients receive communication of the award as soon as reasonably practical after the grant date of the award. The Committee reviewed and assessed the performance of the Company s NEOs during 2009. The Committee will continue to review and assess the performance of the Chief Executive Officer and all senior executives and authorize salary actions it believes are appropriate, commensurate with relevant competitive data and the approved salary program.

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

- Build and sustain a strong ethical culture rooted in the Company s values
- Win in the new economy

Improve talent development and succession planning effectiveness

Deliver business impact through strategic information technology initiatives

Execute ITT s Inclusion and Diversity Strategic Plan

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Compensation Program Objectives

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

	How We Achieve Our Objectives	
Objective	**General Principle**	**Specific Approach**
Attract and keep well-rounded, capable leaders	Design our executive compensation program to attract, reward and retain capable executives. Provide incentives that reward and retain employees. Design total executive compensation to provide a competitive balance of salary, short-term and long-term incentive compensation.	The Company s overarching philosophy is to target total compensation at the competitive median of the Compensation Consultant s data from its CDB. We consider total compensation (salary plus short-term and long-term compensation) when determining each component of the NEO s compensation.
Use compensation elements that fit the Company s short-term and long-term operating and strategic goals to reward employees	In addition to salary, we include short-term and long-term performance incentives.	We believe short-term and long-term performance-based incentives focus executive behavior on annual performance and operating goals, as well as long-term stock price performance, total shareholder return and long-term value creation.
Provide a clear link between at-risk compensation and business performance.	We believe the measures of performance in our compensation programs must be aligned with measures key to the success of our businesses. If our businesses succeed, our shareholders will benefit.	The strong link between compensation and performance is intended to provide incentives for achieving performance and business objectives and increasing the long-term value of the Company s stock. If performance goals are not met, at-risk compensation is reduced or not paid.
Structure compensation so that executives with greater levels of responsibility have more at-risk compensation.	As executives move to greater levels of responsibility, the proportion of compensation at risk, whether through annual incentive plans or long-term incentive programs, increases in relation to the increased level of responsibility.	NEO compensation is structured so that a substantial portion of compensation is at risk. The Committee considered allocation of short-term and long-term compensation, cash and non-cash compensation and different forms of non-cash compensation for NEOs based on its assessment of the proper compensation balance needed to achieve the Company s short-term and long-term goals. The Compensation Consultant compiled and analyzed data that the Committee considered in weighting compensation

		components for each of the NEOs.
Tie short-term executive compensation to specific business objectives.	Our AIP sets out short-term performance components.	The AIP performance components are designed to further the Company s total enterprise and individual business segment objectives. If specific short-term performance goals are met, cash payments that reflect corporate headquarters, business segment and individual performance may be awarded.
Tie long-term executive compensation to increasing shareholder return.	Our long-term incentive award programs link executive compensation to increases in shareholder return or relative shareholder return against industrial peers.	Long-term executive compensation is comprised of restricted stock, stock options and cash payments tied to the achievement of three-year total shareholder return.

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	How We Achieve Our Objectives	
Objective	**General Principle**	**Specific Approach**
Provide reasonable and competitive benefits and perquisites.	Make sure that other employee benefits, including perquisites, are reasonable in the context of a competitive compensation program.	NEOs participate in many of the same benefit plans with the same benefit plan terms as other employees. Certain other benefit plans are available to NEOs and described more fully on page 59. Perquisites provided to NEOs are designed to be consistent with competitive practice. The Compensation Consultant provides survey data on perquisites to the Committee. Mr. Loranger has a Special Pension Arrangement discussed on page 65 of this Proxy Statement.

Primary Compensation Components