Ivonne M. Cabrera
Senior Vice President
General Counsel & Secretary

Phone: (630) 743-5024
Fax: (630) 743-2670
Emai[redacted]

November 26, 2013

Elizabeth M. Murphy, Secretary
United States Securities and Exchange Commission
100 F Street NE
Washington, DC 20540-1090

Re: Comment Letter on Pay Ratio Disclosure

Dear Ms. Murphy:

This letter is submitted by Dover Corporation ("Dover") in response to the request for comments on the pay ratio disclosure rules proposed by the Securities and Exchange Commission on September 18, 2013 to implement Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). Dover appreciates the opportunity to provide comments in response to the proposed rules.

Overview

Dover is a diversified global manufacturer with annual revenues of over $8 billion. Dover focuses on innovative equipment and components, specialty systems and support services through its four major operating segments: Communication Technologies, Energy, Engineered Systems and Printing & Identification. Headquartered in Downers Grove, Illinois, Dover presently employs over 39,000 people in 41 countries.

Because Dover is a multi-industry, multi-national company with a large number of wholly-owned subsidiaries, many of which are the result of acquisitions and, to some extent, continue separate or independent human resource and compensation and benefits functions, the preparation of pay ratio disclosure will impose unreasonable costs on Dover and require an extraordinary devotion of employee time and effort. In the United States alone, Dover maintains over 110 separate payrolls and 129 unique retirement programs with varying benefits. Moreover, in order to compensate its diverse and global employee population, Dover maintains 647 different global compensation and benefit programs, with variations on base salary, bonus, commission, overtime, retirement benefits and long-term incentives.

Given the administrative complexity of Dover's global operations, Dover estimates that its annual cost to collect required data would exceed $2 million under the proposed rules. This estimated figure relates only to the cost of compiling Dover's compensation data and does not even include the cost of accounting and legal assistance that will be required in connection with the calculation and disclosure of the pay ratio. While the cost will be mitigated if the modifications to the rules suggested below are implemented, Dover believes that any amount spent on collecting data, calculating the ratio and preparing the necessary disclosures would be better spent on investments in new markets, products and equipment for the benefit of its shareholders.

In any event, regardless of cost concerns, Dover believes that its investors will not benefit from pay ratio disclosure.[1] No investor or advisor has requested such information from Dover. Nevertheless, Dover respectfully submits the following proposals as practical ways in which to improve the workability of the proposed rules.

Utilize Annual Rates for Employees on Payroll

Dover respectfully requests that the final rule permit the median employee calculation to be based on annualized compensation for all employees on payroll on the last day of the applicable fiscal year, including temporary and seasonal employees. Annualized compensation is an appropriate extension of the flexibility permitted by the proposed rules in determining the median employee and the elements of total compensation with respect to the median employee. Dover believes that the use of annual rates is necessary in order to minimize the complexity of the median employee calculation and standardize the determination of pay levels across the varied industries in which employers like Dover operate.

The proposed rules expressed a concern that annualizing adjustments for all employees may present a distorted picture of the actual composition of a registrant's workforce or compensation practices.[2] Dover does not consider its employment of seasonal and temporary employees to be a "compensation practice" as opposed to a necessary and appropriate consequence of its business model. Further, Dover believes that the intent of the rule is not to provide a survey of its employees but rather to set forth information that provides investors a meaningful comparison of the CEO's compensation against a median employee's compensation. Comparing a seasonal or temporary employee's compensation (or even having such compensation shape the determination of the median employee) against the CEO's compensation would result in a highly misleading pay ratio figure, one that would thwart the intended purpose of the rule. Dover believes that annualizing the compensation of employees who were not employed during the entire fiscal year would more accurately reflect the employment relationship between Dover and its employees - in effect on a full time equivalent basis - and thus result in a more meaningful pay ratio.

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1 For a useful analysis of some of the reasons, see "An Economic Analysis of SEC's Proposed Pay Ratio Rules," Atanu Saha, Ph.D., November 12, 2013.

2 See SEC Rulemaking Release on Pay Ratio Disclosure (SEC Release), File No. S7-07-13, p. 35.

Exclude Information for Non-U.S. Employees

Dover respectfully requests that the final rule exclude employees in non-U.S. jurisdictions in the calculation of median compensation.

The nature of Dover's business gives rise to a complicated compensation structure in order to meet the needs of its worldwide workforce. Approximately half of Dover's employees work outside of the United States. As noted above, Dover maintains over 600 different compensation and benefit programs and, in addition, Dover provides its international employees with many statutorily required benefits whose value will be very difficult to compare and equate to U.S. benefits. Given Dover's vast and complex international operations, Dover believes that any attempt to provide one measure of the compensation of its global workforce would be a virtually impossible undertaking.

Most importantly, Dover believes that the wide variation of compensation practices in non-U.S. jurisdictions would result in a calculated amount that would lack meaning and usefulness to its investors. Dover's various compensation programs and the statutory benefits that it makes available to non-U.S. employees would grossly distort the comparability of compensation against Dover's U.S.-based chief executive officer. Moreover, Dover anticipates that the detailed methodology and complicated calculations that would be required in calculating a ratio incorporating the non-U.S. workforce would not easily translate into a summary of assumptions for purposes of an investors' understanding of the pay ratio determination.

Simplifying the Determination of Total Compensation: Ability to Exclude Benefits

In order to avoid a significant outlay of time and money, while remaining faithful to the spirit of Section 953(b) of the Dodd-Frank Act, Dover respectfully requests that, as an alternative, the final rule permit the determination of total compensation and the calculation of the ratio between the median employee's total compensation and the CEO's compensation to be based on cash compensation, exclusive of benefits.

It would be exceedingly difficult for Dover to determine the median employee's compensation on an "apples to apples" basis in light of Dover's complex system of benefits. Dover's U.S. retirement programs underscore the complexity: as noted above, Dover provides 129 unique retirement programs with varying benefits for its employees in the United States alone. Two otherwise similarly situated United States employees with a $50,000 annual pay rate may receive 0% to 14% of their pay in retirement benefits depending on the retirement program in which the employee participates and how much the employee contributes towards retirement.

Such a wide variation of benefits would make the "total compensation" determination for the median employee extremely difficult and would ultimately result in an imprecise ratio, with little value to investors, even when applied to only U.S. employees. Requiring such a comparison across different countries with their vastly different mix of voluntary and statutorily required programs would of course further confuse the calculus.

Conclusion

Dover believes that Section 953(b) of the Dodd-Frank Act does not serve its investors and ultimately takes away from its shareholders. Nevertheless, Dover has prepared the foregoing comments in an attempt to reduce the administrative burden and costs relating to the implementation of the rules and to increase their usefulness to investors, and again, Dover appreciates the opportunity to submit these comments. If you would like to discuss these matters with us further, please contact Ivonne M. Cabrera at imc@dovercorp.com or 630-743-5024 to discuss this comment.

Very truly yours,

IM Cabrera

cc: Jay L. Kloosterboer