ITT Corp
Form DEF 14A
March 28, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A
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 ¨
Check the appropriate box:
¨Preliminary Proxy Statement
þDefinitive Proxy Statement
¨Definitive Additional Materials
¨Soliciting Material Pursuant to Rule 14a-12
¨Confidential, for the Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ITT Corporation
(Name of Registrant as Specified In Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):
þNo fee required.
¨Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(4) Date Filed:

2016
Notice of Annual Meeting
& Proxy Statement
ITT Corporation

March 28, 2016

Denise L. Ramos
Chief Executive Officer and President

ITT Corporation
1133 Westchester Avenue
White Plains, NY 10604

Dear Fellow Shareholders:

On behalf of the Board of Directors of ITT Corporation, I cordially invite you to attend our 2016 Annual Meeting of Shareholders, which will be held on Wednesday, May 11, 2016 at 9:00 a.m. Eastern Daylight Time at ITT Corporation Headquarters, 1133 Westchester Avenue, White Plains, NY 10604.

At this year's meeting, you will be asked to vote on the election of directors, to ratify the appointment of the Company's independent registered public accounting firm, to reapprove the performance measures in the 2011 Omnibus Incentive Plan, to cast an advisory vote related to ITT's executive compensation program and to consider a shareholder proposal, if properly presented at the meeting.

Attached you will find a Notice of 2016 Annual Meeting of Shareholders and Proxy Statement that contain more information about these proposals and the meeting itself, including:

- How to obtain admission to the meeting if you plan to attend; and
- Different methods you can use to vote your proxy, including by Internet and telephone.

Every shareholder vote is important. We encourage you to vote promptly, even if you plan to attend the Annual Meeting. We appreciate your participation and your ongoing interest in ITT.

Sincerely,

Denise L. Ramos
Chief Executive Officer and President

NOTICE OF 2016 ANNUAL MEETING OF SHAREHOLDERS

Date and Time	Wednesday, May 11, 2016 at 9:00 a.m. Eastern Daylight Time
Place	ITT Corporation Headquarters, 1133 Westchester Avenue, White Plains, NY 10604
Items of Business	To elect the 10 nominees named in the attached Proxy Statement to the Board of Directors, to serve until the 2017 annual meeting of shareholders or until their respective successors shall have been duly elected and qualified. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the 2016 fiscal year. To conduct an advisory vote on the compensation of the Company's named executive officers. To reapprove performance measures in the ITT Corporation 2011 Omnibus Incentive Plan. To consider a shareholder proposal, if properly presented at the Annual Meeting. To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.
Who Can Vote, Record Date	Holders of record of ITT Corporation common stock at the close of business on March 14, 2016 are entitled to vote at the Annual Meeting and any adjournments or postponements thereof.
Mailing or Availability Date	Beginning on or about March 28, 2016, this Notice of Annual Meeting and the 2016 Proxy Statement are being mailed or made available, as the case may be, to shareholders of record on March 14, 2016.
About Proxy Voting	It is important that your shares be represented and voted at the Annual Meeting. If you are a registered shareholder, you may vote online at www.proxyvote.com, by telephone or by mailing a proxy card. You may also vote in person at the Annual Meeting. If you hold shares through a bank, broker or other institution, you may vote your shares by any method specified on the voting instruction form that they provide. See details under "How do I vote?" under "Information about Voting" below. We encourage you to vote your shares as soon as possible.

By order of the Board of Directors,
Lori B. Marino
Corporate Secretary
March 28, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
ITT Corporation's Annual Meeting of Shareholders
to be held on Wednesday, May 11, 2016, at 9:00 a.m. EDT
The Proxy Statement and Annual Report are available online at
www.proxyvote.com

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ITT Corporation
1133 Westchester Avenue
White Plains, NY 10604

Proxy Statement

This Proxy Statement is furnished to the shareholders of record of ITT Corporation, an Indiana corporation (the “Company,” “ITT,” “we,” “us” or “our”), in connection with the solicitation of proxies on behalf of the Board of Directors of t Company, for use at the Annual Meeting of Shareholders to be held on May 11, 2016 (the “Annual Meeting”). The Annual Meeting will be held at 9:00 a.m. Eastern Daylight Time at ITT Corporation Headquarters, 1133 Westchester Avenue, White Plains, NY 10604.

Why did I receive these proxy materials? Beginning on or about March 28, 2016, this Proxy Statement is being mailed or made available, as the case may be, to shareholders who were shareholders as of March 14, 2016, the record date, as part of the Board of Directors’ solicitation of proxies for the Annual Meeting, including any adjournments or postponements thereof. This Proxy Statement and ITT’s 2015 Annual Report to Shareholders and Annual Report on Form 10-K (which have been furnished to shareholders eligible to vote at the Annual Meeting) contain information that the Board of Directors believes is relevant to shareholders in voting on the matters to be addressed at the Annual Meeting.

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 14, 2016, the record date.

How do I get admitted to the Annual Meeting? Only shareholders of record or beneficial owners of the Company’s common stock as of the record date may attend the Annual Meeting in person. You will need an admission ticket or proof of ownership to enter the Annual Meeting. An admission ticket is attached to your proxy card if you hold shares directly in your name as a shareholder of record. If you received a Notice of Internet Availability of Proxy Materials (a “Notice”), your Notice is your admission ticket. We encourage you to vote your proxy as soon as possible, even if you plan to attend the Annual Meeting, but please keep the admission ticket and bring it with you to the Annual Meeting.

If your shares are held beneficially in the name of a broker, bank or other holder of record, you must present proof of your ownership of common stock, such as a bank or brokerage account statement, to be admitted to the Annual Meeting. Please note that if you plan to attend the Annual Meeting in person and would like to vote there, you will need to bring a legal proxy from your broker, bank or other holder of record as explained below. If your shares are held beneficially and you would rather have an admission ticket, you can obtain one in advance by mailing a written request, along with proof of your ownership of common stock, to:

ITT Corporation
1133 Westchester Avenue
White Plains, NY 10604
Attn: Corporate Secretary

The proponent of a shareholder proposal included in this Proxy Statement should notify the Company in writing of the individual authorized to present the proposal at the Annual Meeting; this notification should be received at least two weeks before the Annual Meeting.

Shareholders also must present a form of photo identification, such as a driver’s license, in order to be admitted to the Annual Meeting. No cameras, recording equipment, large bags or packages will be permitted in the Annual Meeting.

Information about Voting

How do I vote? Shareholders may vote using any of the following methods:

By telephone or on the Internet

You can vote by calling the toll-free telephone number on your proxy card or Notice. Please have your proxy card or Notice handy when you call. Easy-to-follow voice prompts allow you to vote your shares and confirm that your instructions have been properly recorded.

The website for Internet voting is www.proxyvote.com. Please have your proxy card or Notice handy when you go online. As with telephone voting, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you also can request electronic delivery of future proxy materials.

Telephone and Internet voting facilities for shareholders of record will be available 24 hours a day and will close at 11:59 p.m. Eastern Daylight Time on May 10, 2016. The availability of telephone and Internet voting for beneficial owners will depend on the voting processes of your broker, bank or other holder of record. Therefore, the Company recommends that you follow the voting instructions in the materials you receive.

If you vote by telephone or on the Internet, you do not need to return your proxy card.

By mail

If you received your Annual Meeting materials by mail, you may complete, sign and date the proxy card or voting instruction card and return it in the prepaid envelope. If you are a shareholder of record and you return your signed proxy card but do not indicate your voting preferences, the persons named in the proxy card will vote the shares represented by that proxy as recommended by the Board of Directors.

In person at the Annual Meeting

All shareholders may vote in person at the Annual Meeting. You may also be represented by another person at the Annual Meeting by executing a proper proxy designating that person. If you are a beneficial owner of shares, you must obtain a legal proxy from your broker, bank or other holder of record and present it to the inspectors of election with your ballot to be able to vote at the Annual Meeting. We encourage you to vote as soon as possible, even if you intend to attend the Annual Meeting in person.

By granting a proxy or submitting voting instructions

You may vote by granting a proxy or, for shares held in street name, by submitting voting instructions to your bank, broker or other holder of record.

What is the difference between a registered owner and a beneficial owner? If your shares are registered in your name with ITT’s transfer agent, Wells Fargo Shareholder Services, you are a “registered owner,” also sometimes referred to as the “shareholder of record” of those shares.

If your shares are held in a stock brokerage account or by a bank or other holder of record, you are considered the “beneficial owner” of those shares, and this Proxy Statement and any accompanying documents have been provided to you by your broker, bank or other holder of record. As the beneficial owner, you have the right to direct your broker, bank or other holder of record how to vote your shares by using the voting instruction card or by following their instructions for voting by telephone or on the Internet.

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

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 two people named on the accompanying proxy card to act as your proxies at the Annual Meeting.

What items are on the agenda for the Annual Meeting? There are five formal items scheduled to be voted upon at the Annual Meeting as described in the Notice of 2016 Annual Meeting of Shareholders. As of the date of this Proxy Statement, there are no other matters that the Board of Directors intends to present, or has reason to believe others will present, at the Annual Meeting. If you have returned your signed and completed proxy card and other matters are properly presented for voting at the Annual Meeting, the people named on the accompanying proxy card (or, if applicable, their substitutes), will have the discretion to vote on those matters for you.

How will my shares be voted at the Annual Meeting? At the Annual Meeting, the people named on the accompanying proxy card (or if applicable, their substitutes), will vote your shares as you instruct. If you sign your proxy card and return it without indicating how you would like to vote your shares, your shares will be voted as the Board of Directors recommends, which is:

1. FOR the election of the 10 nominees nominated to the Board of Directors and named in this Proxy Statement, to serve until the 2017 annual meeting of shareholders or until their respective successors shall have been duly elected and qualified;
2. FOR the ratification of Deloitte & Touche LLP (“Deloitte”) as the Company’s independent registered public accounting firm for the 2016 fiscal year;
3. FOR the approval, on an advisory basis, of the compensation of the Company’s named executive officers;
4. FOR the reapproval of the performance measures under the ITT Corporation 2011 Omnibus Incentive Plan (the “2011 Plan”);
5. AGAINST the shareholder proposal regarding a payout policy; and
6. Otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before the Annual Meeting.

What if I change my mind? As a holder of record of common stock, you may revoke or change your proxy at any time before the Annual Meeting by filing a notice of revocation or another signed, later-dated proxy card with the Corporate Secretary of the Company, at the Company’s principal executive offices as listed on the first page of this Proxy Statement. You may also revoke your proxy by attending the Annual Meeting and voting in person. If you are a beneficial holder of common stock, you should follow the voting directions you will receive from your broker, bank or other holder of record along with the Company’s proxy solicitation materials. As previously noted, you will need a legal proxy from your broker, bank or other holder of record if you prefer to cast your vote in person at the Annual Meeting.

How many shares of ITT stock are outstanding? As of March 14, 2016, the record date, 89,829,277 shares of common stock were outstanding.

How many holders of ITT outstanding shares must be present to hold the Annual Meeting? In order to conduct business at the Annual Meeting, it is necessary to have a quorum. To have a quorum, shareholders entitled to cast a majority of votes at the Annual Meeting must be present in person or by proxy. The inspectors of election appointed for the Annual Meeting will separately tabulate all affirmative and negative votes, abstentions and “broker non-votes.” Abstentions and broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business.

What is a “broker non-vote”? If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares with respect to certain items of business. If you do not provide voting instructions, your shares will not be voted on any item of business on which the broker does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker can register your shares as being present at the Annual Meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required under the rules of the New York Stock Exchange (“NYSE”).

If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority under NYSE rules to vote your shares on the ratification of Deloitte as the Company’s independent registered public accounting firm, even if the broker does not receive voting instructions from you. However, your broker does not have discretionary authority to vote on the election of directors, the advisory vote on the compensation of the Company’s named executive officers or the shareholder proposal without instructions from you, in which case a broker non-vote will occur and your shares will not be voted on these items of business.

If you hold shares of common stock through a broker, bank or other holder of record, follow the voting instructions you receive from that organization.

How many votes are required to elect Directors? How many votes are required for other agenda items to pass?
Election of Directors. The Company's Amended and Restated By-laws (the "By-laws") provide that in uncontested elections, a director nominee shall be elected by a majority of the votes cast by the shareholders represented in person or by proxy at the Annual Meeting. A "majority of the votes cast" means that the number of votes cast "for" a director must exceed the number of votes cast "against" that director (with abstentions and broker non-votes not counted as votes cast with respect to that director). The By-laws further 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 conditional resignation, as a holdover director, to the Chairman of the Board or the Corporate Secretary, and remain a director until a successor is elected and qualified. The Nominating and Governance Committee shall promptly consider the resignation and all relevant facts and circumstances concerning any vote and the best interests of the Company and its shareholders. After consideration, the Nominating and Governance Committee shall make a recommendation to the Board whether to accept or reject the tendered resignation, or whether other action should be taken. The Board will act on the Nominating and Governance Committee's recommendation no later than its next regularly scheduled Board meeting (after certification of the shareholder vote) 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. As discussed above, brokers (and the many banks and other record holders of "street name" shares that follow the applicable NYSE voting rules for member brokers) do not have discretionary voting power with respect to director elections unless they have customer voting instructions. This means that, without your voting instructions on this matter, a broker non-vote will occur because your broker (or bank or other holder of record) does not have the power to vote your shares on the election of directors. As a result, it is very important that you return voting instructions relating to the election of directors to your broker, bank or other holder of record.
All Other Matters. The proposal ratifying the selection of the Company's independent registered public accounting firm, the proposal to reapprove the performance measures under the 2011 Plan, the proposal to conduct an advisory vote on the compensation of the Company's named executive officers and the shareholder proposal each require that the votes cast in favor of the proposal exceed the votes cast against the proposal. The proposals relating to the selection of the Company's independent registered public accounting firm, the compensation of the Company's named executive officers and the shareholder proposal are each advisory in nature and non-binding. If you abstain from voting or if there is a broker non-vote on any matter, your abstention or broker non-vote will not affect the outcome of such vote, because abstentions and broker non-votes are not considered to be votes cast.
How do I vote if I am a participant in the ITT Retirement Savings Plan? If you participate in the ITT Retirement Savings Plan (formerly the ITT Corporation Retirement Savings Plan), your plan trustee will vote the ITT shares credited to your ITT Retirement 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"). The trustee will vote the shares on your behalf because you are the beneficial owner, not the shareholder of record, of the shares held by the ITT Retirement Savings Plan. The trustee votes the shares held in your ITT Retirement Savings Plan account 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 ITT Retirement Savings Plan, 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 ITT Retirement Savings Plan to vote these shares, in person or by proxy at the Annual Meeting. ITT Retirement Savings 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 Daylight Time on May 8, 2016.
How many shares are held by participants in the ITT Retirement Savings Plan? As of March 14, 2016, the record date, the ITT Retirement Savings Plan held 211,794 shares of common stock (approximately 0.24% of the outstanding shares). J.P. Morgan Chase is trustee of the ITT Retirement Savings Plan.
Who counts the votes? Is my vote confidential? In accordance with the By-laws, the Company will appoint two Inspectors of Election, who may be officers or employees of the Company, and they will tabulate the votes. The

Inspectors of Election monitor the voting and also certify whether the votes of shareholders are kept in confidence in compliance with ITT's confidential voting policy.

Who will pay for the cost of this proxy solicitation? ITT will pay the cost of soliciting proxies. Proxies may be solicited on our behalf by our directors, officers or employees in person or by telephone, mail, electronic transmission and/or facsimile transmission. Innisfree M&A Incorporated, 501 Madison Avenue, New York, NY 10022, has been retained to assist in soliciting proxies for a fee of $12,500, plus distribution costs and other costs and expenses.

What is "householding" and how does it affect me? The Company has adopted a procedure approved by the Securities and Exchange Commission ("SEC") called "householding." Under this procedure, beneficial shareholders who have the same address and last name and who do not participate in electronic delivery or Internet access of proxy materials will receive only one copy of the Company's Annual Report and Proxy Statement unless one or more of these shareholders notifies the Company that they wish to continue receiving individual copies. This procedure is designed to reduce duplicate mailings and save significant printing and processing costs, as well as natural resources. Each shareholder who participates in householding will continue to receive a separate proxy card or Notice. Your consent to householding is perpetual unless you revoke it. You may revoke your consent at any time by contacting Broadridge, either by calling toll-free at (800) 542-1061, or by writing to Broadridge Financial Solutions, Inc. Householding Department, 51 Mercedes Way, Edgewood, NY 11717. You will be removed from the householding program within 30 days of receipt of your response, after which you will receive an individual copy of the proxy materials.

Why did I receive a "Notice of Internet Availability of Proxy Materials" but no proxy materials? We distribute our proxy materials to certain shareholders by giving notice to those shareholders that they may access their proxy materials on the Internet. This so-called "Notice and Access" approach, which is permitted by SEC rules, conserves natural resources and reduces our costs of printing and distributing the proxy materials, while providing a convenient method of accessing the materials and voting to shareholders. On March 28, 2016, we mailed a "Notice of Internet Availability of Proxy Materials" to participating shareholders, containing instructions on how to access the proxy materials on the Internet.

How do I receive proxy materials electronically in the future? This Proxy Statement and the 2015 Annual Report are available online at www.proxyvote.com. Instead of receiving future proxy statements and accompanying materials by mail, most shareholders can elect to receive an e-mail that will provide electronic links to them. Opting to receive your proxy materials online will conserve natural resources and will save us the cost of producing documents and mailing them to you, and will also give you an electronic link to the proxy voting site.

Shareholders of Record. You may sign up for the service by logging onto the Internet at www.proxyvote.com. Please have your proxy card handy when you go online.

Beneficial Owners. You also may be able to receive copies of these documents electronically. Check the information provided in the proxy materials sent to you by your broker, bank or other holder of record regarding the availability of this service or contact them regarding electronic delivery of materials.

How does a shareholder propose matters for consideration at the 2017 annual meeting of shareholders?

Proposals to be included in our proxy statement. Under SEC rules, if a shareholder wants us to include a proposal in our proxy statement for presentation at our 2017 annual meeting of shareholders, the proposal must be received by us by November 28, 2016. Any such proposal must comply with Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act").

Proposals to be brought before the 2017 annual meeting of shareholders. A shareholder seeking to introduce an item of business at the 2017 annual meeting of shareholders must comply with the procedures set forth in our By-laws. If you intend to propose an item of business to be presented at our 2017 annual meeting of shareholders, you must notify us of your intention, in writing, on or after November 28, 2016, but not later than December 28, 2016. In the event that the date of the 2017 annual meeting of shareholders is changed by more than 30 days from the anniversary date of the Annual Meeting, such notice must be received not earlier than 120 calendar days prior to the 2017 annual meeting and not later than 90 calendar days prior to the 2017 annual meeting, or, if later, 10 calendar days following the date on which public announcement of the date of the 2017 annual meeting is first made.

For any special meeting of shareholders, the item of business must be received no earlier than 120 calendar days nor later than 90 calendar days prior to the date of the special meeting, or, if later, 10 calendar days following the date on which the public announcement of the date of the special meeting is first made.

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How does a shareholder nominate directors for the 2017 annual meeting of shareholders?
Director nominations for inclusion in our proxy statement. In February 2016, we amended our By-laws to implement "proxy access," which allows a shareholder or group of shareholders meeting certain conditions to nominate directors for election at annual meetings of shareholders using our proxy statement. This provision allows a shareholder, or group of up to 20 shareholders, to nominate up to two director candidates or, if greater, up to 20% of the number of directors then serving on our Board of Directors, if the shareholder or group has owned continuously for at least three years a number of shares equal to at least three percent of our outstanding common stock measured as of the date we receive the nomination. The number of director candidates who may be nominated under our proxy access By-law will be reduced by the number of director nominations made under our advance notice By-law, as described in the following section.

If you intend to nominate a director for election at the 2017 annual meeting of shareholders using our proxy access By-law, you must submit the nomination, along with the other materials required by our By-laws, on or after October 29, 2016, but not later than November 28, 2016.

Director nominations to be brought before the 2017 annual meeting of shareholders. If you intend to nominate a director for consideration at the 2017 annual meeting of shareholders, you must notify us in writing of your intention to do so and provide us with the information required by our advance notice By-law on or after November 28, 2016, but not later than December 28, 2016. In the event that the date of the 2017 annual meeting of shareholders is changed by more than 30 days from the anniversary date of the Annual Meeting, such notice must be received not earlier than 120 calendar days prior to the 2017 annual meeting and not later than 90 calendar days prior to the 2017 annual meeting, or, if later, 10 calendar days following the date on which public announcement of the date of the 2017 annual meeting is first made.

For any special meeting of shareholders, a nomination to be brought before the meeting must be received no earlier than 120 calendar days nor later than 90 calendar days prior to the date of the special meeting, or, if later, 10 calendar days following the date on which the public announcement of the date of the special meeting is first made.

Note that any such nominations will not be included in or voted through the Company's proxy materials.

What information must I submit with a proposal or nomination? A shareholder's submission of a proposal or director nomination must include information specified in our By-laws concerning the proposal or nomination, as the case may be, and information as to the shareholder's ownership of common stock. Any person considering submission of a proposal for an item of business or a nomination to be considered at a shareholder meeting should carefully review our By-laws. We will not entertain any proposals or nominations at the 2017 annual meeting of shareholders that do not meet these requirements. The By-laws are available upon request, free of charge, from ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, Attention: Corporate Secretary. The By-laws were also filed as Exhibit 3.1 to the Current Report on Form 8-K that we filed with the SEC on February 22, 2016, which is available, free of charge, on the SEC's website, www.sec.gov, and our Investor Relations website, www.itt.com/investors.

Nominations of directors and notices relating thereto must meet all other qualifications and requirements of the Company's Corporate Governance Principles, the committee charters and Regulation 14A under the Exchange Act. Any shareholder nominees will be evaluated by the Nominating and Governance Committee of the Board using the same standards as it uses for all other director nominees. These standards are discussed in further detail below under "Information about the Board of Directors–Director Selection and Composition."

Where should I send a shareholder proposal or director nomination for the 2017 annual meeting of shareholders?
If you intend to submit a proposal or director nomination, you must send the proposal or nomination, along with all information required by our By-laws, to our principal executive offices at: ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, Attention: Corporate Secretary. We strongly encourage any shareholder interested in submitting a proposal or director nomination to contact our Corporate Secretary in advance of the above deadlines to discuss the proposal, and shareholders may want to consult knowledgeable counsel with regard to the detailed requirements of applicable securities laws and the Company's By-laws. Submitting a shareholder proposal or nomination does not guarantee that we will include it in our Proxy Statement. The chairman of the Annual Meeting may refuse to allow the transaction of any business, or to acknowledge the nomination of any person, not made in compliance with the foregoing procedures.

Who can help answer my additional questions? If you have any additional questions about the Annual Meeting or how to vote, please call our proxy solicitor, Innisfree M&A Incorporated, toll-free at 888-750-5834. Banks and brokers may call collect at 212-750-5833.

Stock Ownership of Directors, Executive Officers and Certain Shareholders

The following table shows the beneficial ownership of our common stock, as of January 31, 2016, by each director, by each of the named executive officers as defined by the SEC in Item 402 of Regulation S-K ("Named Executive Officers" or "NEOs"), and by all directors and executive officers as a group.

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. No directors or executive officers have pledged any shares of common stock.

	Amount and Nature of Beneficial Ownership				
Name of Beneficial Owner	Total Shares Beneficially Owned	Shares Owned Directly(1)	Options(2)	Stock Units(3)	Percent of Class
Denise L. Ramos	828,464	78,090	633,632	116,742	*
Thomas M. Scalera	161,400	17,582	118,347	25,471	*
Aris C. Chicles	243,230	6,289	201,378	35,563	*
Luca Savi	46,960	11,000	23,585	12,375	*
Victoria Creamer	—	—	—	—	*
Orlando D. Ashford	11,218	11,218	—	—	*
G. Peter D'Aloia	11,554	4,189	—	7,365	*
Geraud Darnis	10,000	10,000	—	—	*
Donald DeFosset, Jr.	11,616	9,397	—	2,219	*
Christina A. Gold	33,736	21,096	—	12,640	*
Richard P. Lavin	5,188	5,188	—	—	*
Frank T. MacInnis	35,901	22,400	1,430	12,071	*
Rebecca A. McDonald	2,933	2,933	—	—	*
Timothy H. Powers	549	549	—	—	*
All Directors and Executive Officers as a Group (18 persons)	1,448,330	200,037	996,331	251,962	1.6%

*Less than 1%

(1) Includes units held as of January 31, 2016 representing interests in the ITT Stock Fund held within the ITT Retirement Savings Plan.

(2) Exercisable within 60 days of January 31, 2016.

(3) Reflects performance units and restricted stock units ("RSUs") that vest or that may be settled within 60 days of January 31, 2016. The amounts for Ms. Ramos, Mr. Scalera, Mr. Chicles and Mr. Savi include RSUs and performance units that vested, and were settled in our common stock, in March 2016. Non-management directors' total shares beneficially owned include RSUs that have vested but for which settlement is deferred until a later date.

The principal occupation and certain other information about the nominees is set forth on the following pages.

The following table gives information about each person or group of persons whom the Company knows to be the beneficial owner of more than 5% of the outstanding shares of common stock based on information filed by that entity with the SEC on the dates indicated below.

Name and address of beneficial owner	Number of Shares Beneficially Owned	Percent of Class[5]
AllianceBernstein LP[1] 1345 Avenue of the Americas New York, NY 10105	9,347,794	10.4%
Capital Research Global Investors[2] 333 South Hope Street Los Angeles, CA 90071	9,163,121	10.2%
The Vanguard Group[3] 100 Vanguard Blvd Malvern, PA 19355	6,487,968	7.2%
BlackRock, Inc.[4] 40 East 52nd Street New York, NY 10022	5,953,360	6.7%

(1) As reported on Schedule 13G filed on January 11, 2016, AllianceBernstein LP has sole voting power with respect to 8,400,761 shares, no shared voting power with respect to any shares, sole dispositive power with respect to 9,346,583 shares, and shared dispositive power with respect to 1,211 shares.

(2) As reported on Schedule 13G/A filed on February 16, 2016, Capital Research Global Investors has sole voting power with respect to 9,163,121 shares, no shared voting power with respect to any shares, and sole dispositive power with respect to 9,163,121 shares.

(3) As reported on Schedule 13G/A filed on February 10, 2016, The Vanguard Group has sole voting power with respect to 64,364 shares, shared voting power with respect to 4,900 shares, sole dispositive power with respect to 6,424,104 shares, and shared dispositive power with respect to 63,864 shares.

(4) As reported on Schedule 13G/A filed on January 26, 2016, BlackRock, Inc. has sole voting power with respect to 5,632,346 shares, no shared voting power with respect to any shares, and sole dispositive power with respect to 5,953,360 shares.

(5) Calculations based on the Company’s shares outstanding as of January 31, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

The members of the Board of Directors, the executive officers and persons who hold more than 10% of the outstanding common stock are subject to the reporting requirements of Section 16(a) of the Exchange Act, which requires them to file reports with respect to their ownership of, and transactions in, our common stock. Based on our records and other information, we believe that in 2015 our directors and our executive officers who are subject to Section 16(a) met all applicable filing requirements.

Proposals to be Voted on at the Annual Meeting

Item 1. Election of Directors

All 10 members of our Board are standing for re-election, to hold office until the 2017 annual meeting of shareholders. Each director must be elected by a majority of the votes cast by the shareholders represented in person or by proxy at the Annual Meeting. A "majority of the votes cast" means that the number of votes cast "for" a director must exceed the number of votes cast "against" that director (with abstentions and broker non-votes not counted as votes cast with respect to that director). In a contested election for director (an election in which the number of nominees for election as director is greater than the number of directors to be elected), the vote standard would be a plurality of votes cast.

In accordance with our Corporate Governance Principles, the Board will nominate for election or re-election as a director only candidates who agree to tender, promptly following their failure to receive the required vote for election or re-election in an uncontested election at a meeting in which they would face election or re-election, an irrevocable resignation that will be effective upon acceptance by the Board. In addition, the Board will fill director vacancies and new directorships only with candidates who agree to tender the same form of resignation promptly following their appointment to the Board.

If an incumbent director fails to receive the required vote for re-election in an uncontested election and submits his or her conditional resignation to the Chairman of the Board or the Corporate Secretary, then the Nominating and Governance Committee (or the equivalent committee then in existence) shall promptly consider the resignation and all relevant facts and circumstances concerning any vote and the best interests of the Company and its shareholders. The Board will act on the Committee's recommendation no later than its next regularly scheduled Board meeting (after certification of the shareholder vote) 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.

Each nominee elected as a director will continue in office until the earlier of the 2017 annual meeting of shareholders, his or her successor having been duly elected and qualified, or his or her death, resignation or removal.

The 10 nominees for election to the Board in 2016 have agreed to serve if elected, and management has no reason to believe that such nominees will be unavailable to serve. In the event that any of the nominees is unable or declines to serve as a director at the time of the Annual Meeting, then the persons named as proxies may vote for a substitute nominee chosen by the present Board to fill the vacancy. Alternatively, the Board may reduce the size of the Board of Directors. The individuals named as proxies in the proxy card intend to vote the proxy (if you are a shareholder of record) FOR the election of each of these nominees, unless you indicate otherwise on the proxy card.

The principal occupation and certain other information about the nominees is set forth on the following pages.

Orlando D. Ashford, 47, has served as the President of Holland America Line, a division of Carnival Corporation, since December 2014. Previously, Mr. Ashford was the President of the Talent business segment at Mercer, a global consulting leader and subsidiary of Marsh & McLennan Companies ("Marsh"). From 2008 to 2012, Mr. Ashford was the Senior Vice President, Chief Human Resources and Communications Officer for Marsh. Prior to joining Marsh in 2008, Mr. Ashford served as Group Director of Human Resources for Eurasia and Africa for the Coca-Cola Company and as Vice President of Global Human Resources Strategy and Organizational Development for Motorola, Inc. He has also held leadership positions with Mercer Delta Consulting, Ameritech and Andersen Consulting. Mr. Ashford is also Vice Chair of the board of directors for the Executive Leadership Council. He also serves on advisory boards for Purdue University School of Technology and the NFL Players Association.

Mr. Ashford has served as a director of the Company since December 2011, and is currently a member of the Compensation and Personnel Committee and the Nominating and Governance Committee. In considering Mr. Ashford for director of the Company, the Board considered his expertise in addressing talent, culture and human capital issues at the executive level, as well as his significant experience in multinational organizations, providing experience and skills relevant to the Company's international sales operations.

G. Peter D'Aloia, 71, served as Senior Vice President and Chief Financial Officer of Trane, Inc. (formerly American Standard Companies Inc.) from 2000 until his retirement in 2008. Prior to that, Mr. D'Aloia was employed by AlliedSignal Inc. (now known as Honeywell), a diversified industrial company, most recently serving as Vice President, Strategic Planning and Business Development. He spent 28 years with AlliedSignal in diverse finance management positions, including as Vice President, Taxes; Vice President and Treasurer; Vice President and Controller; and Vice President and Chief Financial Officer for the Engineered Materials Sector. Early in his career, he worked as a tax attorney for the accounting firm Arthur Young and Company. Mr. D'Aloia is currently a director of the following public companies: FMC Corporation since 2002 (Lead Director; Audit Committee; Nominating and Corporate Governance Committee; Executive Committee); and WABCO Holdings Inc. since 2007 (Audit Committee). Mr. D'Aloia is also a director of various private companies. He also served on the board of the following public company within the last five years: AirTran Airways, Inc. from 2004 to 2011.

Mr. D'Aloia has served as a director of the Company since October 2011, and is currently Chairman of the Audit Committee. In considering Mr. D'Aloia for director of the Company, the Board considered his significant financial and business experience resulting from senior executive and financial roles in large manufacturing operations at public companies, his strong international experience, his service as a director of several other public companies and his overall financial management abilities, including multinational legal, tax and banking expertise.

Geraud Darnis, 56, served as the President & Chief Executive Officer of UTC Building & Industrial Systems, the world's largest provider of high-technology building systems, whose brands include Otis, Carrier, Chubb, Kidde and Automated Logic from September 2013 to December 2015. UTC Building & Industrial Systems is a unit of United Technologies Corporation ("UTC"). Mr. Darnis served as the President and Chief Executive Officer of UTC Climate, Controls and Security from September 2011 to September 2013. In 2001, he served briefly as President of UTC Power before being named President of Carrier, a position he held until 2011 when Carrier and UTC Fire & Security were combined into UTC Climate, Controls & Security. Prior to 2001, Mr. Darnis held a number of general management and financial positions at UTC in Latin America, Europe and Asia. Mr. Darnis also served as a member on the Air-Conditioning Heating and Refrigeration Institute from 2003 to 2006, including Chairman from November 2004 to November 2005, and then as an advisory member of the Executive Committee from 2007 to 2014.

Mr. Darnis has served as a director of the Company since October 2015 and is currently a member of the Audit Committee. In considering Mr. Darnis for director of the Company, the Board considered his significant management experience as president of a major operating unit at a large manufacturing company and his wide-ranging expertise in a variety of industries in which the Company operates, including industrial and aerospace.

Donald DeFosset, Jr., 67, retired in 2005 as Chairman, President and Chief Executive Officer of Walter Industries, Inc., a diversified public company with principal operating businesses in homebuilding and home financing, water transmission products and energy services. Mr. DeFosset had served since November 2000 as President and Chief Executive Officer, and since March 2002 as Chairman, of Walter Industries. Over his career, Mr. DeFosset held significant leadership positions in major multinational corporations, including Dura Automotive Systems, Inc., a global supplier of engineered systems, Navistar International Corporation and AlliedSignal, Inc. Mr. DeFosset is currently a director of the following public companies: National Retail Properties Inc. since 2008 (Chairman of Governance and Nominating Committee; Compensation Committee); Regions Financial Corporation since 2005 (Chairman of Compensation Committee; Risk Committee); and Terex Corporation since 1999 (Chairman of Nominating and Governance Committee; Audit Committee). Mr. DeFosset is also a director of various private companies and not-for-profit organizations. He also served on the board of the following public company within the last five years: EnPro Industries, Inc. from 2010 to 2011.

Mr. DeFosset has served as a director of the Company since October 2011, and is currently a member of the Compensation and Personnel Committee and the Nominating and Governance Committee. In considering Mr. DeFosset for director of the Company, the Board considered his extensive experience as a chief executive of a large diversified industrial company and as a senior executive of an international machinery manufacturer. His service on the boards of directors of a variety of large public companies further enhances his experience and adds value to the Company’s Board.

Christina A. Gold, 68, was President and Chief Executive Officer of The Western Union Company, a leading company in global money transfer, from September 2006 to September 2010. She was President of Western Union Financial Services, Inc. and Senior Executive Vice President of First Data Corporation, former parent company of The Western Union Company, from May 2002 to September 2006. Prior to that, Ms. Gold served as Vice Chairman and Chief Executive Officer of Excel Communications, Inc., from October 1999 to May 2002. From 1998 to 1999, Ms. Gold served as President and CEO of Beaconsfield Group, Inc., a direct selling advisory firm that she founded. Ms. Gold began her career in 1970 at Avon Products, Inc., where she spent 28 years in a variety of significant leadership positions. She currently serves on the board of Carleton University. Ms. Gold is currently a director of the following public companies: International Flavors & Fragrances, Inc. since 2013 (Compensation Committee; Governance Committee) and Korn/Ferry International since 2014 (Compensation and Personnel Committee; Governance Committee). Ms. Gold has also served as a director since 2001 of New York Life Insurance Company and currently serves on the board of the Safe Water Network. She has also served on the board of the following public company within the last five years: Exelis Inc. from 2011 to 2013.

Ms. Gold has served as a director of the Company since December 1997, and is currently Chairwoman of the Compensation and Personnel Committee and a member of the Audit Committee. In considering Ms. Gold for director of the Company, the Board considered her extensive experience as the Chief Executive Officer of a public company with wide ranging global leadership, management and marketing experience. The Board also considered her long history as a director of the Company and extensive knowledge of the Company, its operations and its people.

Richard P. Lavin, 64, was Chief Executive Officer and President of Commercial Vehicle Group, Inc., a leader in the development, manufacturing and fulfillment of fully integrated system solutions for the commercial vehicle market from May 2013 to November 2015. Prior to joining Commercial Vehicle Group, Mr. Lavin spent 29 years in a variety of positions with Caterpillar Inc., including as Vice President of manufacturing operations for the Asia Pacific Division, serving as Chairman of Shin Caterpillar Mitsubishi Ltd. (SCM)-now Caterpillar Japan Ltd. (CJL)-and Chairman of Caterpillar (China) Investment Co., Ltd, and as a group president for Construction Industries and Growth Markets. Mr. Lavin is currently a director of the following public companies: USG Corporation since 2009 (Chairman of Compensation Committee; Finance Committee) and Allison Transmission Holdings, Inc. since 2016. He has also served on the board of the following public company within the last five years: Commercial Vehicle Group, Inc. from 2013 to 2015.

Mr. Lavin has served as a director of the Company since May 2013, and is currently a member of the Compensation and Personnel Committee and the Nominating and Governance Committee. In considering Mr. Lavin for director of the Company, the Board considered his experience overseeing Caterpillar Inc.'s largest operating division and extensive international experience through overseeing that company's operations in China, India, Japan and the Asia-Pacific region. In addition, Mr. Lavin has a diverse legal and human resources background, having served as director of Corporate Labor and Human Relations and director of Compensation and Benefits, as well as the Vice President of

Caterpillar’s Human Services Division.

Frank T. MacInnis, 69, was Chief Executive Officer of EMCOR Group, Inc., one of the world's largest providers of electrical and mechanical construction services, energy infrastructure and facilities services, from 1994 to 2011 and Chairman of the Board from 1994 to 2013. Throughout his career Mr. MacInnis has managed construction and operations all over the world, including in Tehran, Baghdad, Bangkok, the United Arab Emirates, London, the United States and Canada. Mr. MacInnis is also a director of various private companies and not-for-profit organizations. In addition, he also served on the board of the following public companies within the past five years: EMCOR Group, Inc. from 1994 to 2015; and The Williams Companies, Inc. from 1998 to 2015.

Mr. MacInnis has served as a director of the Company since October 2001 and as Chairman of the Board since October 2011, and he is currently Chairman of the Nominating and Governance Committee. In considering Mr. MacInnis for director of the Company, the Board considered his more than 25 years of broad-based experience as a chief executive officer of a leading, publicly held, international mechanical and electrical construction, energy infrastructure and facilities services provider. The Board also considered his experiences on the boards of various other public companies, his leadership and insights in many of the commercial and defense markets served by the Company, as well as his background in corporate governance, finance and accounting, legal, strategy and risk management.

Rebecca A. McDonald, 63, retired in July 2012, having served since December 2008 as Chief Executive Officer of Laurus Energy Inc., a company involved in underground coal gasification development. She previously served as President, Gas and Power, BHP Billiton from March 2004 to September 2007, and, from October 2001 to January 2004, she served as President of the Houston Museum of Natural Science. Ms. McDonald has more than 25 years of experience in the energy industry. She has been responsible for the development, construction and operation of natural gas and liquids pipelines, gas and electricity distribution companies, as well as power plant and gas processing facilities in North America, Asia, Africa and South America. Ms. McDonald is currently a director of the following public company: CHR public limited company since 2015 (Acquisition Committee; Finance Committee). Ms. McDonald is also currently a director of Veresen Inc. since 2008. In addition, she also served on the boards of the following public companies within the last five years: Aggreko plc from 2001 to 2015 and Granite Construction Incorporated from 1994 to 2015.

Ms. McDonald has served as a director of the Company since December 2013, and is currently a member of the Compensation and Personnel Committee and the Audit Committee. In considering Ms. McDonald for director of the Company, the Board considered her significant expertise in the oil and gas industry, as well as her executive-level experience and extensive knowledge of business systems and operations. The Board also considered her experience as a director of a variety of public and private companies within the energy industry.

Timothy H. Powers, 67, was the Chairman, President and Chief Executive Officer of Hubbell Incorporated ("Hubbell") from 2004 to 2013. He was appointed to the position of Chairman after having served as the President and Chief Executive Officer of Hubbell from 2001 to 2004 and as the Senior Vice President and Chief Financial Officer from

1998 to 2001. Mr. Powers also served as Executive Vice President, Finance and Business Development Americas Region at ABB, Inc. and as Vice President and Corporate Controller for BBC Brown Boveri, Inc. Mr. Powers is currently a director of the following public company: WestRock Company (formerly MeadWestvaco Corporation), since 2006 (Audit Committee; Compensation Committee). In addition, Mr. Powers served as a director of the National Electric Manufacturers Association and as a trustee for Manufacturers Alliance for Productivity and Innovation until 2013. He also served on the board of the following public company within the last five years: Hubbell Incorporated from 2004 to 2014.

Mr. Powers has served as a director of the Company since February 2015 and is currently a member of the Audit Committee and the Nominating and Governance Committee. In considering Mr. Powers for director of the Company, the Board considered his significant experience as a Chief Executive Officer, Chief Financial Officer, and in the areas of management, strategic planning, and mergers and acquisitions in the manufacturing industry.

Denise L. Ramos, 59, was appointed Chief Executive Officer, President and a director of the Company in October 2011. She previously served as Senior Vice President and Chief Financial Officer of the Company since 2007. Prior to joining the Company, Ms. Ramos served as Chief Financial Officer for Furniture Brands International from 2005 to 2007. From 2000 to 2005, Ms. Ramos served as Senior Vice President and Corporate Treasurer at Yum! Brands, Inc. and Chief Financial Officer for the U.S. division of KFC Corporation. Ms. Ramos began her career in 1979 at Atlantic Richfield Company (ARCO), where she had more than 20 years of business and financial experience serving in a number of increasingly responsible finance positions, including Corporate General Auditor and Assistant Treasurer. Ms. Ramos is currently a director of the following public company: Praxair, Inc., since 2014 (Audit Committee; Governance and Nominating Committee). She serves on the Executive Committee of the Board of Trustees for the Manufacturers Alliance for Productivity and Innovation and is also a member of the Business Roundtable and the Business Council. Ms. Ramos was included in the Top 100 CEO Leaders in Science, Technology, Engineering and Math publication by STEMconnector, she recently received a Distinguished Leadership Award from the New York Hall of Science and she was named to Fortune magazine’s 2014 Top People in Business.

In considering Ms. Ramos for director of the Company, the Board considered Ms. Ramos’ unique background which combines more than two decades in the oil and gas industry with significant retail and customer-centric experience. The Board also considered her extensive operational and manufacturing experience with industrial companies and, in particular, her intimate knowledge of the Company’s business and operations having served as its Chief Financial Officer since 2007 and Chief Executive Officer since 2011.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the election of the 10 nominees listed above as directors. Unless a contrary choice is specified, proxies solicited by our Board will be voted FOR the election of the 10 nominees listed above as directors.

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

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the Company’s independent registered public accounting firm. To execute this responsibility, the Audit Committee engages in a comprehensive annual evaluation of the independent registered public accounting firm’s qualifications, performance and independence and whether the independent registered public accounting firm should be rotated, and considers the advisability and potential impact of selecting a different independent registered public accounting firm. The Audit Committee has selected, and the Board of Directors has ratified the selection of, Deloitte to serve as our independent registered public accounting firm for 2016. Deloitte has served as the Company’s independent registered public accounting firm since 2002. In accordance with SEC rules and Deloitte policies, audit partners are subject to rotation requirements to limit the number of consecutive years an individual partner may provide service to our Company. For lead and concurring audit partners, the maximum number of consecutive years of service in that capacity is five years. The process for selection of the Company’s lead audit partner pursuant to this rotation policy involves a meeting between the Chair of the Audit Committee and the candidate for the role, as well as discussion by the full committee and with management.

The Audit Committee and Board of Directors believe that the continued retention of Deloitte as our independent registered public accounting firm is in the best interest of the Company and our shareholders, and we are asking our shareholders to ratify the selection of Deloitte as our independent registered public accounting firm for 2016. Although ratification is not required by our By-laws or otherwise, the Board is submitting the selection of Deloitte to our shareholders for ratification because we value our shareholders’ views on the Company’s independent registered public accounting firm and as a matter of good corporate practice. In the event that our shareholders fail to ratify the selection, it will be considered a recommendation to the Board of Directors and the Audit Committee to consider the selection of a different firm. In addition, even if shareholders ratify the selection of Deloitte, the Audit Committee may in its discretion select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and our shareholders.

Deloitte is a registered public accounting firm regulated by the Public Company Accounting Oversight Board ("PCAOB"). Representatives of Deloitte attended all regularly scheduled meetings of the Audit Committee during 2015. The Audit Committee discussed with the independent registered public accounting firm all communications required by auditing standards of the PCAOB. In addition, the committee discussed with the registered public accounting firm its independence from the Company and its management. 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
- leadership
- non-audit services
- management structure
- peer review program
- commitment to quality report
- appropriateness of fees charged
- compliance and ethics program

The Audit Committee also reviewed the terms and conditions of Deloitte's engagement letter including an agreement between the Company and Deloitte to submit disputes between Deloitte and the Company to a dispute resolution process.

The Audit Committee discussed the engagement letter, 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.

Representatives of Deloitte will be present at the 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, 2015 and 2014 represent fees billed by Deloitte and its foreign affiliates.

Fiscal Year Ended (in thousands)	2015	2014
Audit Fees(1)	$4,075	$4,157
Audit-Related Fees(2)	105	416
Tax Fees(3)		
Tax Compliance Services	116	355
Tax Planning Services	501	136
Total Tax Services (sum of Tax Fees)	617	491
All Other Fees	—	—
Total	$4,797	$5,064

(1) Fees for audit services billed in 2015 and 2014 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 2015 and 2014 consisted of:

- employee benefit plan audits;
- permissible merger and acquisition services; and
- other miscellaneous attest services.

(3) Fees for tax services billed in 2015 and 2014 consisted of tax compliance and tax planning and advice:

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

federal, foreign, state and local income tax return assistance;

Internal Revenue Code and foreign tax code technical consultations; and
transfer pricing analyses.

- 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 tax advice related to intra-group restructuring.

Pre-Approval of Audit and Non-Audit Services

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

The Audit Committee has determined that, where practical, all permitted 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. The policy is 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 services, 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 U.S. generally accepted accounting principles (“GAAP”).

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 during regularly scheduled meetings and at other times as necessary.

The Company has policies and procedures in place prohibiting, in some cases, employment of former Deloitte employees who were members of the audit engagement team.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the ratification of Deloitte to serve as the Company’s independent registered public accounting firm for the 2016 fiscal year. Unless a contrary choice is specified, proxies solicited by our Board will be voted FOR the ratification of Deloitte.

Item 3. Advisory Vote to Approve Executive Compensation

In accordance with the requirements of Section 14A of the Exchange Act and the related rules of the SEC, we are including in these proxy materials a separate resolution subject to shareholder vote to approve, in a non-binding vote, the compensation of our NEOs as disclosed later in this Proxy Statement in the Compensation Discussion and Analysis. The following resolution will be submitted for a shareholder vote at the Annual Meeting:

"RESOLVED, that the shareholders of ITT Corporation (the "Company") approve, on an advisory basis, the compensation of the Company's Named Executive Officers, as disclosed in the Company's Proxy Statement for the 2016 Annual Meeting of Shareholders pursuant to Item 402 of the Securities and Exchange Commission Regulation S-K, including the Compensation Discussion and Analysis, the compensation tables and narrative disclosures."

In considering their vote, shareholders may wish to review with care the information on the Company's compensation policies and decisions regarding the NEOs presented in this Proxy Statement in the Compensation Discussion and Analysis.

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

- alignment of executive and shareholder interests by providing incentives linked to earnings per share, free cash flow, operating margin and revenue performance;
- the ability for executives to achieve long-term shareholder value creation without undue business risk;
- creating a clear link between an executive's individual contribution and performance and his or her compensation;
- the extremely competitive nature of the industries in which we operate and our need to attract and retain the most creative and talented industry leaders; and
- comparability to the practices of peers in the industries that we operate in and other comparable companies generally.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our NEOs, as described in this Proxy Statement in accordance with the SEC's compensation disclosure rules.

The Board values the opinions of the Company's shareholders as expressed through their votes and other communications. This vote is advisory in nature and non-binding; however, the Board will review and consider the shareholder vote when determining executive compensation. The current frequency of non-binding advisory votes on executive compensation is an annual vote, and we anticipate that the next vote will be at next year's annual meeting.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the advisory resolution approving the compensation of the Company's Named Executive Officers as described in this Proxy Statement. Unless a contrary choice is specified, proxies solicited by our Board will be voted FOR this management proposal.

Item 4. Reapproval of Performance Measures Under the ITT Corporation 2011 Omnibus Incentive Plan

The Board of Directors is asking shareholders to reapprove the material terms of the performance goals under the 2011 Plan so that certain performance-based compensation granted thereunder may continue to qualify as "performance-based compensation" under Section 162(m) of the Internal Revenue Code ("Section 162(m)").

Background and Purpose of the Proposal

Section 162(m) places a limit of $1 million on the amount we may deduct in any one year for compensation paid to our Chief Executive Officer and our other three most highly-compensated executive officers, other than our Chief Financial Officer. This limit does not apply, however, to certain performance-based compensation awards under the 2011 Plan that constitute "performance-based compensation" under Section 162(m). To qualify for this exception, shareholders must approve the material terms of the performance measures used in the plan. Section 162(m) further requires that in order to continue to qualify for this exception, shareholders generally must reapprove the material terms of the performance measures of the plan every five years.

The purpose of this proposal is to preserve the Company's ability to grant awards under the 2011 Plan that qualify as performance-based compensation for purposes of Section 162(m). The material terms of the performance measures under the 2011 Plan are: the persons eligible to receive the performance-based compensation awards under the 2011 Plan, a description of the business criteria upon which performance awards will be based, and the maximum shares or cash value of awards that may be granted to an individual in any one year. These terms that are included in this proposal are the same as those stated in the 2011 Plan. If shareholders do not approve this proposal, we may be limited in our ability to grant awards that satisfy our compensation objectives and that are deductible.

Shareholder approval is only one of several requirements under Section 162(m) which must be met in order for compensation to qualify as performance-based compensation for purposes of Section 162(m). Even if our shareholders approve the proposal, there is no guarantee that all awards granted under the 2011 Plan will be treated as performance-based compensation, and we reserve the right to make awards of compensation that do not qualify for the performance-based compensation exception of Section 162(m).

Material Terms of the Performance Goals Under the 2011 Plan

Persons Eligible to Receive Performance-Based Compensation Under the 2011 Plan. All ITT Corporation employees and directors and the employees of our subsidiaries and other affiliates are eligible to participate in the 2011 Plan. Because the 2011 Plan provides for broad discretion in selecting participants and in making awards, the total number of persons who will participate in the 2011 Plan and the benefits that will be provided to the participants cannot be determined at this time.

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

Performance measures may be based solely on the Company's or an affiliate's performance, on a business unit basis, or a combination thereof. Performance measures may reflect absolute entity performance or a relative comparison of entity performance to the performance of a group of comparator companies, or published or special index that the Compensation and Personnel Committee selects. The committee may also compare any performance measure to various stock market indices. The committee may provide in any award that any evaluation of performance may include or exclude any of the following events that occur during a performance period: (1) asset write-downs, (2) litigation or claim judgments or settlements, (3) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (4) any reorganization and restructuring programs, (5) extraordinary nonrecurring items as described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 225-30, and/or in the Company's annual reports to shareholders for the applicable year, (6) acquisitions or divestitures, and (7) foreign exchange gains and losses.

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

Individual Award Limits. The maximum number of shares with respect to which stock options may be granted to an individual during any one year is 3,500,000. The maximum number of shares with respect to which stock appreciation rights may be granted to any individual during any one year is 3,500,000. The maximum number of shares of restricted stock or restricted stock units that may be granted to an individual during any one year is 700,000. The maximum number of shares with respect to other awards that may be granted to an individual during any one year is 700,000 and the maximum cash that may be payable with respect to other awards granted to an individual in any one year is $15,000,000. The maximum aggregate value of cash dividends or dividend equivalents that any individual may receive pursuant to awards in any one year shall not exceed $6,000,000.

Shareholder Approval

Shareholders approved the 2011 Plan at the 2011 annual meeting of shareholders. We are asking shareholders to reapprove the material terms of the performance measures under the 2011 Plan in order to permit us to grant performance-based awards that are not subject to the deduction limits under Section 162(m).

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote FOR the reapproval of the 2011 Omnibus Incentive Plan performance-based compensation measures. Unless a contrary choice is specified, proxies solicited by our Board will be voted FOR the reapproval of the 2011 Omnibus Incentive Plan performance-based compensation measures.

Item 5. Shareholder Proposal Regarding Payout Policy

The following shareholder proposal will be voted on at the Annual Meeting if properly presented by or on behalf of the shareholder proponent. Other than minor formatting changes, we are reprinting the proposal and supporting statement as they were submitted to us, and we have not endeavored to correct any erroneous statements or typographical errors contained therein. Share holdings of the shareholder proponent, and where applicable, of co-filers, will be supplied upon request to the Company's Corporate Secretary. Our Board of Directors has recommended a vote against the proposal for the reasons set forth

following the proposal.
Jonathan Kalodimos, PhD, 725 NW 29th Street, Corvallis, OR 97330, has submitted the following shareholder proposal.
Resolved: Shareholders of ITT Corporation ask the board of directors to adopt and issue a general payout policy that gives preference to share repurchases (relative to cash dividends) as a method to return capital to shareholders. If a general payout policy currently exists, we ask that it be amended appropriately.
Supporting statement: Share repurchases as a method to return capital to shareholders have distinct advantages relative to dividends. Share repurchases should be preferred for the following reasons:

1. Financial flexibility. Four professors from Duke University and Cornell University studied executives' decisions to pay dividends or make repurchases by surveying hundreds of executives of public companies. They found that "maintaining the dividend level is on par with investment decisions, while repurchases are made out of the residual cash flow after investment spending." Further, in follow up interviews as part of the study, executives "state[d] that they would pass up some positive net present value (NPV) investment projects before cutting dividends." The creation of long-term value is of paramount importance; I believe that repurchases have the distinct advantage that they do not create an incentive to forgo long-term value enhancing projects in order to preserve a historic dividend level.
2. Tax efficiency. Share repurchases have been described in the Wall Street Journal as "akin to dividends, but without the tax bite for shareholders." The distribution of a dividend may automatically trigger a tax liability for some shareholders. The repurchase of shares does not necessarily trigger that automatic tax liability and therefore gives a shareholder the flexibility to choose when the tax liability is incurred. Shareholders who desire cash flow can choose to sell shares and pay taxes as appropriate. (This proposal does not constitute tax advice.)
3. Market acceptance. Some may believe that slowing the growth rate or reducing the level of dividends would result in a negative stock market reaction. However, a study published in the Journal of Finance finds that the market response to cutting dividends by companies that were also share repurchasers was not statistically distinguishable from zero. I believe this study provides evidence that there is market acceptance that repurchases are valid substitutes for dividends.

Some may worry that share repurchases could be used to prop up metrics that factor into the compensation of executives. I believe that any such concern should not interfere with the choice of optimal payout mechanism because compensation packages can be designed such that metrics are adjusted to account for share repurchases.
In summary, I strongly believe that adopting a general payout policy that gives preference to share repurchases would enhance long-term value creation. I urge shareholders to vote FOR this proposal.
Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote AGAINST this proposal for the following reasons:
ITT's Board of Directors believes that it is not in the best interests of the Company or its shareholders to adopt a formal policy giving preference to share repurchases relative to cash dividends as a method to return capital to shareholders. The Board believes that adoption of such a policy would unreasonably constrain the Company's ability to consider market and business conditions in order to efficiently return capital to shareholders. Furthermore, as illustrated below, the Company's practice over the preceding four years has effectively given preference to share repurchases relative to cash dividends. In light of this historical practice, the Board believes that adoption of the policy the proposal requests would be unnecessary, even if it were advisable.

The Board and management should have the flexibility to determine the proper allocation of capital and free cash flow that is in the best interests of shareholders.
The Board believes that a determination of the manner and amount of capital to be returned to shareholders, whether through share repurchases or dividends, is inherently fact-specific and rooted in our day-to-day business. These determinations are based on consideration of, among other factors, current and expected levels of financial performance and liquidity, the trading prices and volatility of a company's shares, current and expected interest rates, the availability of alternative sources of capital

and potential competing uses of capital, including reinvestment in current lines of business, research and development, funding expansion, repaying debt or pursuing acquisitions and the ability to legally repurchase shares under applicable insider trading and market manipulation laws. In turn, each potential competing use of capital requires an analysis of the business environment, competitive conditions, economic trends, tax consequences and regulatory developments, among other factors. These decisions require careful review of the projected benefits and risks of potential courses of action and consultation among directors, executives and employees and with financial, legal, accounting and other advisors. The Board believes that these considerations are rooted in the directors' fiduciary duties to the Company and our shareholders. As a result of the Board's need to consider these factors when evaluating whether and how to return capital to shareholders, the Board believes that it would be inappropriate to adopt a general payout policy that gives preference to one method of returning capital to investors over another.

Although the proposal specifies little to alter the Board's current practice, if adopted and applied consistently, it would place an unnecessary restriction on the Board's ability to align the Company's payout practices with current and future market conditions, corporate, securities and tax laws, and internal business considerations. The appropriate amount of share repurchases, on an absolute basis and relative to dividends, may vary significantly on a yearly, or even quarterly, basis. The Board is sensitive to these fluctuations and, while in agreement with Mr. Kalodimos that share repurchases have significant benefits, the Board believes that regular dividends also have significant benefits and should be retained regardless of whether the Company is actively repurchasing shares.

In addition, dividends are often seen as indicating that a company is reliably creating value for investors and efficiently managing expenditures, while reducing dividend payments is sometimes read as a sign of trouble. The Board is concerned that the existence of a stated policy giving preference to repurchases relative to dividends could restrict its ability to declare regular dividends if the Company determines that market conditions are unfavorable to repurchases, or that it would be more productive to use excess capital for another purpose. The Board accordingly does not believe the proposed policy is necessary or appropriate given the fact-intensive nature of these decisions.

The Company has a strong track record of continued prudent capital investment.

The Board agrees with Mr. Kalodimos that there are many benefits of share repurchases and has implemented buyback programs accordingly. Since 2012, the Company's share repurchases have exceeded dividends, often by significant margins. The following table provides information regarding our repurchases and dividends for the last four fiscal years:

	Year Ended December 31,			
($ in millions)	2015	2014	2013	2012
Aggregate repurchases	$84.0	$60.2	$87.9	$116.8
Dividends	$42.8	$40.7	$36.4	$34.2
Ratio of repurchases to dividends	2.0x	1.5x	2.4x	3.4x
Repurchases as % of capital return	66.2%	59.7%	70.7%	77.4%

The proposal is vague and ambiguous and therefore the Board is not certain about how it might implement the proposal if it were adopted.

The proposal requests that the Board adopt a general payout policy that "gives preference to share repurchases (relative to cash dividends)" as a method to return capital to shareholders (emphasis added). Adoption of such a policy would give rise to questions that would make it difficult to apply in practice, such as the extent to which the Company would be obligated to return capital to shareholders in accordance with this preference and how frequently adherence to the policy's preference should be evaluated (e.g., quarterly, annually or over a multi-year period). In practice, the application of such a policy is likely to intrude into the authority of the Board with respect to the timing, manner and mechanics under which capital may be returned to shareholders. As a result, adoption of the proposal would likely complicate Board decision-making at the expense of the Board's unfettered consideration of the best interests of the Company and its shareholders regarding the management of the Company's capital.

Conclusion

In summary, the Board believes that our current approach obtains the relevant benefits of both share repurchases and dividends without unnecessarily and inadvisably impeding the flexibility that is necessary for the Company to respond effectively to changing circumstances.

Recommendation of the Board of Directors

The Board of Directors unanimously recommends a vote AGAINST this proposal. Unless a contrary choice is specified, proxies solicited by our Board will be voted AGAINST this shareholder proposal.

Corporate Governance and Related Matters

The Company strives to maintain the highest standards of corporate governance and ethical conduct. Maintaining full compliance with the laws, rules and regulations that govern our business, and reporting results with accuracy and transparency, are critical to those efforts. The Company monitors developments in the area of corporate governance and reviews its processes and procedures in light of such developments. The Company also reviews federal and state laws affecting corporate governance, as well as rules and requirements of the NYSE. The Company implements other corporate governance practices that it believes are in the best interests of the Company and its shareholders.

The following sections provide an overview of ITT's corporate governance structure and processes, including the independence and other criteria we use in selecting director nominees; our leadership structure; and certain responsibilities and activities of the Board of Directors and its committees. Our corporate governance structure and processes are based on a number of key governance documents, which are described in the following pages.

The key governance documents, including the most current versions of the Company's Corporate Governance Principles (the "Principles"), and the charters for the Audit, Compensation and Personnel, and Nominating and Governance Committees, are available on the Company's website at www.itt.com/investors/governance/. The most current version of the Company's Code of Conduct is available on the Company's website at www.itt.com/citizenship/code-of-conduct/. Shareholders may also obtain copies of these documents free of charge by sending a written request to ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, Attention: Corporate Secretary.

Corporate Governance Principles

The Board of Directors has adopted the Principles, which govern the operation of the Board of Directors and its committees and guide the Board of Directors and ITT's leadership team in the execution of their responsibilities. The Nominating and Governance Committee is responsible for overseeing the Principles and reviews them at least annually and makes recommendations to the Board of Directors for updates in response to changing regulatory requirements, issues raised by shareholders or other stakeholders, changing regulatory requirements or otherwise as circumstances warrant. The Board may amend, waive, suspend, or repeal any of the Principles at any time, with or without public notice, as it determines necessary or appropriate in the exercise of the Board's judgment or fiduciary duties. As noted above, we have posted the Principles on our website at: www.itt.com/investors/governance/. Among other matters, the Principles include the following items concerning the Board:

- no director may stand for re-election after he or she has reached the age of 72;
- directors must be able to devote the requisite time for preparation and attendance at regularly scheduled Board and Committee meetings, as well as be able to participate in other matters necessary for good corporate governance;
- directors are limited to service on four public company boards (including the ITT Board). If the director serves as an active CEO of a public company, the director is limited to service on two public company boards (including the ITT board) in addition to service on his or her own board;
- the CEO reports at least annually to the Board on succession planning and management development;
- the Board evaluates the performance of the Chief Executive Officer and other senior management personnel at least annually; and
- the Board maintains a process whereby the Board and its committees are subject to annual evaluation and self-assessment.

Leadership Structure

Our Board does not have a formal policy with respect to the separation of the roles of Chairman of the Board and Chief Executive Officer and instead takes a flexible approach to that question. The Board believes that this is a matter that should be discussed and determined by the Board from time to time and that each of the possible leadership structures for a board of directors has its particular pros and cons, which must be considered in the context of the specific circumstances, giving due consideration to the individuals involved, the culture and performance of the Company, the needs of the business, fulfillment of the duties of the Board and the best interests of the shareholders. Although the Board may determine to combine the roles of Chairman and Chief Executive Officer in the future, since 2011 the Board has determined that having separate individuals hold the Chairman and Chief Executive Officer positions is the right leadership structure for the Board. This structure allows our Chief Executive Officer to focus on the operations of our Company's business while the independent Chairman focuses on leading the Board in its responsibilities.

Communication with the Board of Directors

Shareholders and other interested parties may contact any of the Company's directors (including the non-executive Chairman), a committee of the Board, the Board's non-management directors as a group, or the Board as a whole by writing to them c/o ITT Corporation, 1133 Westchester Avenue, White Plains, NY 10604, Attention: Corporate Secretary. Communications are distributed to the Board, or to any individual director or directors, as appropriate under the facts and circumstances. Junk mail, advertisements, product inquiries or complaints, resumes, spam and surveys are not forwarded to the Board. Material that is threatening, unduly hostile or similarly inappropriate will also not be forwarded, although any non-management director may request that any communications that have been excluded be made available.

Policies for Approving Related Party Transactions

The Board has adopted a written Related Party Transaction Policy (the "Policy") that addresses the reporting, review and approval or ratification of transactions with related parties. The Policy covers (but is not limited to) those related party transactions and relationships required to be disclosed under Item 404(a) of the SEC's Regulation S-K, and applies to each director or executive officer of the Company; any nominee for election as a director of the Company; any security holder who is known to the Company to own of record or beneficially more than 5% of any class of the Company's voting securities; and any immediate family member of any of the foregoing persons (each, a "Related Party").

The Company recognizes that transactions with Related Parties may involve potential or actual conflicts of interest and pose the risk that they may be, or be perceived to have been, based on considerations other than the Company's best interests. Accordingly, as a general matter, the Company seeks to avoid such transactions. However, the Company recognizes that in some circumstances transactions between Related Parties and the Company may be incidental to the normal course of business, may provide an opportunity that is in the best interests of the Company to pursue or that may otherwise not be inconsistent with the best interests of the Company. In other cases it may be inefficient for the Company to pursue an alternative transaction. The Policy therefore is not designed to prohibit Related Party transactions; rather, it is designed to provide for timely internal reporting of such transactions and appropriate review, oversight and public disclosure of them. The Policy supplements the provisions of the Company's Code of Conduct concerning potential conflict of interest situations. Under the Policy, an amendment to an arrangement that is considered a Related Party transaction is, unless clearly incidental in nature, considered a separate Related Party transaction.

The Policy provides for the Nominating and Governance Committee to review all Related Party transactions and, wherever possible, to approve such transactions in advance of any such transaction being given effect. In connection with approving or ratifying a Related Party transaction, the Nominating and Governance Committee considers, in light of the relevant facts and circumstances, whether or not the transaction is in, or not inconsistent with, the best interests of the Company, including, as applicable, consideration of the following factors:

- the position within or relationship of the Related Party with the Company;
- the materiality of the transaction to the Related Party and the Company, including the dollar value of the transaction, without regard to profit or loss;
- the business purpose for and reasonableness of the transaction, taken in the context of the alternatives available to the Company for attaining the purposes of the transaction;
- whether the transaction is comparable to a transaction that could be available on an arms-length basis or is on terms that the Company offers generally to persons who are not Related Parties;
- whether the transaction is in the ordinary course of the Company's business and was proposed and considered in the ordinary course of business; and
- the effect of the transaction on the Company's business and operations, including on the Company's internal control over financial reporting and system of disclosure controls or procedures, and any additional conditions or controls (including reporting and review requirements) that should be applied to such transaction.

The Policy provides standing pre-approval for certain types of transactions that the Nominating and Governance Committee has determined do not pose a significant risk of conflict of interest, either because a Related Party would not have a material interest in a transaction of that type or due to the nature, size and/or degree of significance to the Company. The Policy is re-evaluated periodically.

Code of Conduct

The Company has also adopted the ITT Code of Conduct which applies to all employees, including the Company's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer and, where applicable, to its non-management directors. The Code of Conduct is also posted on the Company's website at www.itt.com/citizenship/code-of-conduct/. The Company discloses on its website any changes or waivers from the Code of Conduct for the Company's Chief Executive Officer, Chief Financial Officer, Principal Accounting Officer, its non-management directors and other executive officers. In addition, the Company will disclose within four business days any substantive changes in or waivers of the Code of Conduct granted to our Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer, or persons performing similar functions. We will do this by posting such information on our website as set forth above rather than by filing a Form 8-K. Shareholders may obtain a copy of the Code of Conduct free of charge by sending a written request to ITT Corporation at 1133 Westchester Avenue, White Plains, NY 10604, Attention: Corporate Secretary.

The Company has also established a confidential ethics phone line to respond to employees' questions and reports of ethical concerns. Also, the Audit Committee has established a policy with procedures to receive, retain and treat complaints received by the Company regarding accounting, internal controls or auditing matters, and to allow for the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters.

Director Independence

The Board of Directors, through the Nominating and Governance Committee, conducts an annual review of the independence of its members. With the assistance of legal counsel to the Company, the Nominating and Governance Committee has reviewed the applicable standards for Board and committee member independence, as well as the standards established by the Principles. A summary of the answers to annual questionnaires completed by each of the directors and a report of transactions with director-affiliated entities are also made available to the Nominating and Governance Committee to enable its comprehensive independence review. On the basis of this review, the Nominating and Governance Committee has delivered a report to the full Board of Directors, and the Board has made its independence determinations based upon the committee's report and the supporting information.

Under NYSE listing standards, an independent director must not have any material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company. The NYSE requirements pertaining to director independence also include a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. The Board also considers whether directors have any relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has not adopted categorical standards of independence other than those promulgated by the NYSE. The SEC has a separate independence requirement for audit committee members that overlays the NYSE requirements. The NYSE also recently promulgated rules requiring directors that serve on compensation committees to satisfy additional independence requirements specific to that service.

The Board of Directors has determined that Ms. Ramos is not "independent" because of her employment as Chief Executive Officer and President of the Company. The Board of Directors has reviewed all relationships between the Company and each other member of the Board of Directors and has affirmatively determined that Mr. Ashford, Mr. D'Aloia, Mr. Darnis, Mr. DeFosset, Ms. Gold, Ms. McDonald, Mr. Lavin, Mr. MacInnis and Mr. Powers are each "independent" pursuant to the applicable listing standards of the NYSE. None of these directors were disqualified from "independent" status under the objective tests set forth in the NYSE standards. In assessing independence under the subjective relationships test described above, the Board of Directors took into account the criteria for disqualification set forth in the NYSE's objective tests, and reviewed and discussed additional information provided by each director and the Company with regard to each director's business and personal activities as they may relate to the Company and its management. Based on the foregoing, as required by the NYSE, the Board made the subjective determination as to each of these directors that no material relationships with the Company exist and no relationships exist which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of such director. The Board also determined that the current members of the Audit Committee: Mr. D'Aloia, Mr. Darnis, Ms. Gold, Ms. McDonald, and Mr. Powers, and of the Compensation and Personnel

Committee: Mr. Ashford, Mr. DeFosset, Ms. Gold, Mr. Lavin, and Ms. McDonald, meet the applicable SEC and NYSE independence requirements with respect to membership on such committees.

In making its independence determinations, the Board considered transactions occurring since the beginning of the Company's 2013 fiscal year between the Company and entities associated with the directors or members of their immediate family. All identified transactions that appear to relate to the Company and a person or entity with a known connection to a director were presented to the Board of Directors for consideration. The Board also considered in its analysis the Company's contributions to tax-exempt organizations with respect to each of the non-management directors. In making its subjective determination that each non-management director is independent, the Board considered the transactions in the context of the NYSE objective standards, the special standards established by the SEC for members of audit committees, and the SEC and Internal Revenue

Service ("IRS") standards for compensation committee members. In each case, the Board determined that, because of the nature of the director's relationship with the entity and/or the amount involved in the transaction, the relationship did not impair the director's independence. In its review of Mr. Ashford's independence, the Board considered that he was an executive officer of a company that, in at least one of the preceding three fiscal years, received payments from the Company in an amount less than the greater of $1 million or 2% of his employer's consolidated gross revenues. The Company did not make any contributions to any tax exempt organizations in which any non-management director serves as an executive officer within the past three fiscal years where such contributions exceeded the greater of $1 million or 2% of such organization's consolidated gross revenues.

Board and Committee Roles in Oversight of Risk

The Board of Directors is charged with oversight of the Company's risk management policies and practices with the objective of ensuring that appropriate risk management systems are employed throughout the Company. ITT faces a broad array of risks, including market, operational, strategic, legal, political, international, and financial risks. The Board monitors overall corporate performance, the integrity of the Company's financial controls, and the effectiveness of its legal compliance and enterprise risk management programs, risk governance practices, and risk mitigation efforts. The Board receives reports from management on risk matters in the context of the Company's annual strategy session and strategic planning reviews, the annual operating plan and budget reviews, and business reports and other updates provided at meetings of the Board. The various committees of the Board also participate in oversight of the Company's risk management efforts and report to the full Board for consideration and action when appropriate. The Company has established a cross-functional team of members of management referred to as the Risk Center of Excellence ("RCOE"), to internally monitor various risks. Each committee of the Board receives regular reports from the RCOE within the relevant expertise of that committee. For example, 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 risks and rewards without encouraging risk-taking behaviors that may have a material adverse effect on the Company, and it receives an annual report from the RCOE evaluating these risks. In addition to its duties in assessing major financial risk exposures, the Audit Committee also provides oversight of the Company's policies with respect to risk assessment and risk management.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation and Personnel Committee during 2015 or as of the date of this Proxy Statement have 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

In fulfilling its responsibility to identify and recommend to the Board of Directors qualified candidates for membership on the Board, the Nominating and Governance Committee takes into account a variety of factors. Directors of the Company must be persons of integrity, with significant accomplishments and recognized business stature. In addition, the Principles state that as part of the membership criteria for new Board members, individuals must possess such attributes and experiences as are necessary to provide a broad range of personal characteristics including diversity, management skills, and technological, business and international experience. The Nominating and Governance Committee desires that the Board of Directors be diverse in terms of its viewpoints, professional experience, education and skills, as well as race, gender and national origin. The Board actively seeks to consider diverse candidates for membership on the Board when it has a vacancy to fill and includes diversity as a specific factor when conducting any search for candidates.

As part of its process in identifying new candidates to join the Board of Directors, the Nominating and Governance Committee considers whether, and to what extent, the candidate's attributes and experiences will individually and collectively complement the existing Board, evaluating the current Board's needs for operational, technical, management, financial, international or other expertise and recognizing that ITT's businesses and operations are diverse and global in nature. On an annual basis, as part of its self-evaluation, the full Board of Directors assesses whether its overall mix of directors is appropriate for the Company.

To be considered by the Nominating and Governance Committee as a director candidate, a nominee must first meet the requirements of the By-laws and the Principles.

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 ITT Board. The Nominating and Governance Committee will also consider director nominees recommended by shareholders. Shareholders who wish to recommend candidates may contact the Nominating and Governance Committee in the manner described in “Communication with the Board of Directors.” Shareholder nominations must be made according to the procedures required by our By-laws and described in this Proxy Statement under the heading “How does a shareholder submit a proposal or nominate directors for the 2017 annual meeting of shareholders?” Shareholder-recommended candidates and shareholder nominees whose nominations comply with these procedures and who meet the criteria referred to above will be evaluated by the Nominating and Governance Committee in the same manner as other nominees.

Ten individuals served on ITT’s Board during 2015. Geraud Darnis was elected to the Board of Directors on October 20, 2015. Of the 10 directors who are nominees for election at the Annual Meeting, three are female, and one is African American. The directors come from diverse professional backgrounds, including technology, financial and manufacturing industries. In “Proposals to be Voted on at the 2016 Annual Meeting – Item 1 – Election of Directors,” we provide an overview of the background of each nominee, including their principal occupation, business experience and other directorships, together with the key attributes, experience and skills viewed as most meaningful in providing value to the Board, our Company and our shareholders.

Executive Sessions of Directors

Agendas for meetings of the Board of Directors include regularly scheduled executive sessions for the independent directors to meet without management present; the Board’s non-executive Chairman leads those sessions. Board members have access to our employees outside of Board meetings, and the Board encourages directors to visit different Company sites and events periodically and meet with local management at those sites and events, either as part of a regularly scheduled Board meeting or otherwise.

Board and Committee Meetings and Membership

The Board of Directors and its committees meet throughout the year on a set schedule, and also hold special meetings and act by written consent from time to time as appropriate. Under the Principles, directors are expected to attend all meetings of the Board and all meetings of the committees of which they are members. Members may attend by telephone or video conference to mitigate conflicts, although in-person attendance at regularly scheduled meetings is strongly encouraged. The Board of Directors held eight meetings during the 2015 fiscal year and there were 17 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 meetings. All directors who were on the Board at that time attended the Company’s 2015 annual meeting of shareholders either in person or telephonically, with the exception of Timothy H. Powers.

The Board of Directors has an Audit Committee, a Compensation and Personnel Committee and a Nominating and Governance Committee. The following table summarizes the current membership of each Committee:

Name	Audit	Compensation and Personnel	Nominating and Governance
Orlando D. Ashford		ü	ü
G. Peter D’Aloia	Chair		
Geraud Darnis	ü		
Donald DeFosset, Jr.		ü	ü
Christina A. Gold	ü	Chair	
Rebecca A. McDonald	ü	ü	
Richard P. Lavin		ü	ü
Frank T. MacInnis			Chair
Timothy H. Powers	ü		ü

Denise L. Ramos

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The charters of each of the Audit, Compensation and Personnel, and Nominating and Governance Committees conform with the applicable NYSE listing standards, and each committee periodically reviews its charter, as regulatory developments and business circumstances warrant. Each of the committees, from time to time, considers revisions to their respective charters to reflect evolving best practices.

Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibility to oversee management's conduct of the financial reporting process. The responsibilities of the Audit Committee include:

- selection and oversight of the independent registered public accounting firm, including responsibility to determine the independent auditor's qualifications, independence, scope of responsibility and compensation;
- review and discussion with management and the independent auditor regarding the annual audited and quarterly unaudited financial statements and approval of inclusion of those financial statements in the Company's public filings;
- review and oversight of the Company's selection and application of accounting principles and issues relating to the Company's internal controls and disclosure controls and procedures;
- oversight of the Company's compliance with legal and regulatory requirements, including review of the effect of regulatory and accounting initiatives on the Company's financial statements;
- oversight of the structure and scope of the Company's internal audit function; and
- assist the Board in fulfilling its oversight of enterprise risk management, particularly through oversight of the Company's policies with respect to risk assessment and risk management and the Company's major financial risk exposures.

The Audit Committee has established policies and procedures for the pre-approval of all services by the Company's independent registered public accounting firm. The Audit Committee also has established procedures for the receipt, retention and treatment, on a confidential basis, of complaints received by the Company regarding its accounting, internal controls and auditing matters. Additional details on the role of the Audit Committee may be found in "Item 2-Ratification of the Independent Registered Public Accounting Firm" earlier in this Proxy Statement.

The Board of Directors has determined that each member of the Audit Committee is financially literate and independent, as defined by the rules of the SEC and the NYSE, as well as independent under the Principles. 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 G. Peter D'Aloia as the audit committee financial expert. The Board of Directors has evaluated the performance of the Audit Committee consistent with regulatory requirements.

The current members of the Audit Committee are G. Peter D'Aloia (Chair), Geraud Darnis (appointed October 20, 2015) Christina A. Gold, Rebecca A. McDonald and Timothy H. Powers (appointed August 13, 2015). Richard P. Lavin was a member of the Audit Committee until a restructuring of committees was approved by the Board of Directors to be effective as of August 13, 2015. The Audit Committee held nine meetings during the 2015 fiscal year. The report of the Audit Committee is included on page 29 of this Proxy Statement.

Compensation and Personnel Committee

The purpose of the Compensation and Personnel Committee is to provide oversight review of compensation and benefits of the employees of the Company. The responsibilities of the Compensation and Personnel Committee include:

- oversight and administration of the Company's employee compensation program, including incentive plans and equity-based compensation plans;
- establishment of annual performance objectives, evaluation of performance and approval of individual compensation actions for the Chief Executive Officer and other executive officers;
- review and discussion of the Company's talent review and development process, succession planning process for senior executive positions and aspects of culture and diversity for the Company, and provision of recommendations to the Board of Directors;
- review, discussion and approval of the Compensation Discussion and Analysis included in the Company's annual proxy statement; and
- assist the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with the Company's compensation and talent management programs.

The Board of Directors has determined that each member of the Compensation and Personnel Committee is independent, as defined by the rules of the SEC and the NYSE, as well as independent under the Principles. In addition, each committee member is a “non-employee director” as defined in Rule 16b-3 under the Exchange Act and an “outside director” as defined in

Section 162(m). The Board of Directors has evaluated the performance of the Compensation and Personnel Committee consistent with regulatory requirements.

The current members of the Compensation and Personnel Committee are Christina A. Gold (Chair), Orlando D. Ashford, Donald DeFosset, Jr., Richard P. Lavin and Rebecca A. McDonald (appointed on August 13, 2015). The Compensation and Personnel Committee held four meetings during the 2015 fiscal year. The report of the Compensation and Personnel Committee is included on page 30 of this Proxy Statement.

Nominating and Governance Committee

The purpose of the Nominating and Governance Committee is to ensure that the Board of Directors is appropriately constituted to meet its fiduciary obligations to shareholders of the Company. The responsibilities of the Nominating and Governance Committee include:

- evaluate and make recommendations to the Board of Directors concerning the size, composition, governance and structure of the Board and the qualifications, compensation and retirement age of directors;
- identify, evaluate and propose nominees for election to the Board of Directors;
- consider questions of independence and possible conflicts of interest of directors and executive officers and ensure compliance with applicable laws and NYSE listing standards;
- develop, regularly review, update and recommend to the Board of Directors corporate governance principles for the Company;
- review of material related party transactions in accordance with the Policy and review with the independent auditor the Company's policies for the ethical handling of conflicts of interest and its policies and procedures with respect to expense accounts and perquisites;
- assist the Board in fulfilling its oversight of enterprise risk management, particularly risks in connection with the Company's corporate governance structures and processes and risks related to other primarily nonfinancial matters (for example, business continuity); and
- lead the Company's chief executive officer succession process.

The Board of Directors has determined that each member of the Nominating and Governance Committee is independent, as defined by the rules of the SEC and the NYSE, as well as independent under the Principles. The Board of Directors has evaluated the performance of the Nominating and Governance Committee consistent with regulatory requirements.

As stated above, the Nominating and Governance Committee evaluates the compensation program for the non-management directors and makes recommendations to the Board regarding their compensation. The Nominating and Governance Committee has retained Pay Governance LLC ("Pay Governance") as an independent consultant for this purpose. Pay Governance's responsibilities include providing market comparison data on non-management director compensation at peer companies, tracking trends in non-management director compensation practices, and advising the Nominating and Governance Committee regarding the components and levels of non-management director compensation. The Nominating and Governance Committee is not aware of any conflict of interest on the part of Pay Governance arising from these services or any other factor that would impair Pay Governance's independence. Executive officers do not play any role in either determining or recommending non-management director compensation.

The current members of the Nominating and Governance Committee are Frank T. MacInnis (Chair), Orlando D. Ashford, Donald DeFosset, Jr., Richard P. Lavin (appointed on August 13, 2015) and Timothy H. Powers. The Nominating and Governance Committee held four meetings during the 2015 fiscal year.

2015 Non-Management Director Compensation

The table below represents the 2015 compensation for our non-management directors. As discussed in more detail in the narrative following the table, all non-management directors receive the same cash fees and stock awards for their service, which consists of a $100,000 annual cash retainer and an annual RSU award with a value of $90,000, except for the following: Mr. MacInnis, as Non-Executive Chairman, received an additional $62,500 cash payment and an additional RSU award with a value of $62,500; Mr. D'Aloia as Audit Committee Chair, received an additional $15,000 cash payment; and Ms. Gold as Compensation and Personnel Committee Chair, received an additional $10,000 cash payment. As a management director, Ms. Ramos does not receive compensation for Board service.

Compensation is paid to non-management directors in a lump sum following the annual meeting at which they are elected. Non-management directors who join the Board of Directors during the course of a year receive their compensation promptly following their election, in amounts that are pro-rated to reflect their partial year of service on the Board. Non-management directors may also choose to defer receipt of either or both of their cash retainer and equity retainer. The grant date fair value of stock awards granted to non-management directors in 2015 is provided in footnote (2) to the table below. Stock awards are composed of RSUs.

Name	Fees Earned or Paid in Cash(1)	Stock Awards(2)	Total
Orlando D. Ashford	$100,000	$90,009	$190,009
G. Peter D'Aloia	115,000	90,009	205,009
Geraud Darnis(3)	66,667	60,013	126,680
Donald DeFosset, Jr.	100,000	90,009	190,009
Christina A. Gold	110,000	90,009	200,009
Richard P. Lavin	100,000	90,009	190,009
Frank T. MacInnis	162,500	152,531	315,031
Rebecca A. McDonald	100,000	90,009	190,009
Timothy Powers(4)	125,000	112,510	237,510

(1) Fees may be paid in cash at the time they are earned, or deferred, at the election of the director. Non-management directors may irrevocably elect deferral into an interest-bearing cash account or into the ITT Corporation Stock Fund, which is a tracking fund that invests in Company stock.

(2) Awards are made in RSUs and they reflect a grant date fair value computed in accordance with GAAP. The grant date fair value of the RSUs granted on May 8, 2015, the date of the Company's 2015 annual meeting, was $90,009. The closing price of ITT stock on that date was $41.46.

(3) Mr. Darnis was elected to the Board of Directors on October 20, 2015 and therefore he received compensation that was pro-rated to reflect his partial year of service on the Board for the 2015-2016 director term. He was paid cash of $66,667 and was granted RSUs on October 20, 2015 with a grant date fair value of $60,013 on the grant date. The closing price of ITT stock on that date was $36.46.

(4) Mr. Powers was elected to the Board of Directors on February 26, 2015 and therefore he received compensation that was pro-rated to reflect his partial year of service on the Board for the 2014-2015 director term. He was paid cash of $25,000 and was granted RSUs on February 26, 2015 with a grant date fair value of $22,501 on the grant date. The closing price of ITT stock on that date was $41.21. He also received the compensation described in footnote (1) and (2) for service related to the 2015-2016 director term.

Non-Management Director Stock Awards and Option Awards Outstanding at December 31, 2015 Fiscal Year-End

Non-Management Director Name	Stock Awards	Option Awards
Orlando D. Ashford	2,171	—
G. Peter D'Aloia	9,536	—
Geraud Darnis	1,646	—
Donald DeFosset, Jr.	4,390	—
Christina A. Gold	20,308	—
Richard P. Lavin	2,171	—
Frank T. MacInnis	15,750	1,430
Rebecca A. McDonald	2,171	—
Timothy Powers	2,171	—

Outstanding stock awards include unvested RSUs granted under the 2011 Plan and vested but deferred restricted shares and RSUs granted under the 2011 Plan, the ITT 1996 Restricted Stock Plan for Non-Employee Directors and the Amended and Restated 2003 Equity Incentive Plan. RSUs granted to non-management directors vest one business day prior to the next annual meeting. Unvested RSUs do not earn dividends or carry voting rights while unvested, however dividend equivalents are accrued during this period and are paid out in cash following vesting of the award.

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).

Non-Management Director Share Ownership Guidelines. ITT's share ownership guidelines currently provide for non-management directors to achieve share ownership levels of five times the annual base cash retainer amount within five years of joining the Board. Non-management directors receive a portion of their retainer in RSUs, which are paid in shares when the RSUs vest. Non-management directors are required to hold such shares until their total share ownership meets or exceeds the ownership guidelines. Both the guidelines, and compliance with the guidelines, are monitored periodically. All non-management directors with at least one full year of service on the Board of Directors own stock in the Company. Directors are also subject to the Company's policy prohibiting hedging and speculative trading in and out of the Company's securities, including short sales and leverage transactions, such as puts, calls, and listed and unlisted options. The Company also prohibits directors from pledging Company securities as collateral for a loan.

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 ITT could not otherwise indemnify them. All directors are covered under a non-contributory group accidental death and dismemberment policy that provides each of them with $1,000,000 of coverage. They may elect to purchase additional coverage under that policy. Non-management directors also may elect to participate in an optional non-contributory group life insurance plan that provides $100,000 of coverage.

Audit Committee Report

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 Company's independent registered public accounting firm;
- 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 the Company's policies with respect to risk assessment, risk management and the Company's major financial risk exposures;
- monitoring all elements of the Company's internal control over financial reporting; 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 the 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 by following the procedures set forth in this Proxy Statement under the heading "Communication with the Board of Directors."

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

Regular Review of Financial Statements. During 2015, 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 reviewed and discussed with management and Deloitte the matters required to be discussed under the standards of the PCAOB. These discussions included 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 eight times during 2015.

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

Recommendation Regarding Annual Report on Form 10-K. In performing its oversight function with regard to the 2015 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, 2015. Based on these discussions, and the information received and reviewed, the Audit Committee recommended to the Company's Board of Directors that the Company's financial statements be included in the Company's 2015 Annual Report on Form 10-K.

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

G. Peter D'Aloia (Chair)	Geraud Darnis	Timothy H. Powers
Christina A. Gold	Rebecca A. McDonald	

Compensation and Personnel Committee Report

ITT's Compensation and Personnel Committee is responsible for the overall design and governance of the Company's executive compensation program, senior leadership development and talent management programs. The Compensation and Personnel 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 and monitors 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 governance function, with regard to the Compensation Discussion and Analysis, the Compensation and Personnel Committee relied on statements and information prepared by the Company's management. It also relied on information provided by Pay Governance. The Compensation and Personnel 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 2015 Annual Report on Form 10-K and this Proxy Statement.

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

Christina A. Gold (Chair)	Donald DeFosset, Jr.	Rebecca A. McDonald
Orlando D. Ashford	Richard P. Lavin	

Compensation Discussion and Analysis

Executive Summary

In 2015, we continued to focus on building and implementing our sustainable growth model for the future. Our 2015 financial results reflected strong net operating productivity and effective cost containment in a challenging macroeconomic environment, which included declining oil and gas markets, weaker than expected general industrial markets, and the negative impacts of foreign exchange.

Our 2015 business performance was as follows:

- Revenue down 6% to $2.5 billion and organic revenue down 1%,
- GAAP operating income increased 43% and adjusted operating income was up 9% excluding foreign exchange,
- Adjusted EPS increased 3% to $2.55, up 13% excluding foreign exchange, and
- Record adjusted operating income margins of 12.8%.

Over the past three years, our total shareholder returns have significantly outpaced the S&P 400 Capital Goods Index, of which ITT is a member.

During 2015, we continued to make significant investments in our people, focusing on talent management and building capabilities to grow and develop leaders internally. These personnel investments will enable the Company to identify and develop leaders with a greater focus on effective succession planning. These efforts, combined with the work started in 2013 on creating a healthy, high performing culture, will allow the Company to focus its investment on leaders that will help drive and execute the Company's strategy in the years to come.

In this Compensation Discussion and Analysis, we explain the Compensation and Personnel Committee's executive compensation philosophy, identify the performance objectives for each of our NEOs, describe all elements of the Company's executive compensation program, and explain why the Compensation and Personnel Committee selected each compensation component. The Compensation Discussion and Analysis should be read in conjunction with our tabular disclosures regarding the compensation of our NEOs for 2015, which can be found elsewhere in this Proxy Statement under the heading "Compensation Tables."

What is new for 2015?

As we considered 2015 and 2016 executive compensation design, we were mindful of the Company's advisory votes on executive compensation in the last three years, which resulted in 94%, 95% and 95%, respectively, of shareholder votes cast in favor of our advisory proposals.

We remain committed to continuing the best pay practices and pay-for-performance approach to executive compensation that has resulted in consistently high positive vote percentages.

In August 2015, the Compensation and Personnel Committee approved the elimination of the automobile allowance for NEOs and certain other executives based in the U.S., effective January 1, 2016. This decision was based on our approach of aligning compensation practices to prevalent market practices and reducing perquisites where appropriate. With the exception of the CEO, the annual value of the automobile allowance was converted into salary and annual bonus target for each individual, such that the annual total target cash compensation of each individual remained constant. The Compensation and Personnel Committee did not adjust the salary or bonus target of the CEO in conjunction with eliminating the automobile allowance.

Governance and Compensation

We believe that our underlying executive compensation program is appropriate and effective in motivating and rewarding the behaviors that create long-term shareholder value.

Executive Compensation Philosophy

We have designed our compensation programs to help us recruit and retain the executive talent required to successfully manage our business, achieve our business objectives and maximize their long-term contributions to our success. We provide compensation elements that are designed to align the interests of executives with our goals of enhancing shareholder value and achieving our long-term strategies. We determine total annual compensation by reviewing the median of the competitive market, then positioning above or below the median based on experience, performance, critical skills, and the general talent market. The Compensation and Personnel Committee looks to both peer companies and published compensation surveys as an important input to understand compensation levels for senior executives.

Key Participants in the Compensation Process

Role of the Compensation and Personnel Committee. The Compensation and Personnel Committee reviews and approves each of the compensation targets for all of the Company's executive officers, including the NEOs. The Compensation and Personnel Committee reviewed each compensation element for the CEO and other NEOs, and made the final determination regarding such compensation elements. The Compensation and Personnel Committee also makes determinations with respect to the annual incentive plan ("AIP") as it relates to our executive officers, including the approval of annual performance goals and subsequent full-year achievement against those goals. It administers all elements of the Company's long-term incentive plan, and approves the benefits and perquisites offered to executive officers. Further, the Compensation and Personnel Committee evaluates all compensation programs on an annual basis to ensure that no plans induce or encourage excessive risk-taking by its participants. Pursuant to its charter, the Compensation and Personnel Committee may delegate authority to act upon specific matters to a subcommittee.

Role of Management. During 2015, the Company's CEO and its Chief Human Resources Officer made recommendations to the Compensation and Personnel Committee regarding executive compensation actions and incentive awards. The Chief Human Resources Officer serves as the liaison between the Compensation and Personnel Committee and Pay Governance, providing internal data on an as-needed basis so that Pay Governance can produce comparative analyses for the Compensation and Personnel Committee. In 2015, the Company's human resources, finance and legal departments supported the work of the Compensation and Personnel Committee, by providing information, answering questions and responding to various requests of committee members.

Role of the Independent Compensation Consultant. In 2015, the Compensation and Personnel Committee continued to use the services of Pay Governance in fulfilling its obligations under its charter, the material terms of which are described elsewhere in this Proxy Statement under the heading "Committees of the Board of Directors."

Pay Governance attended each of the four meetings held by the Compensation and Personnel Committee in 2015 and provided the committee with objective expert analyses, assessments, research and recommendations for executive compensation programs, incentives, perquisites, and compensation standards. In this capacity, they provided services that related solely to work performed for, and at the direction of, the Compensation and Personnel Committee, including analysis of material prepared by management for the Compensation and Personnel Committee's review. Pay Governance provided no other services to the Company during 2015. The total amount of fees paid to Pay Governance for 2015 services was $192,055. In addition, the Company reimburses Pay Governance for reasonable travel and business expenses.

The Compensation and Personnel Committee selected Pay Governance to serve as its Independent Compensation consultant only after assessing the firm's independence. As part of its independence review, the Compensation and Personnel Committee reviewed the Company's relationship with Pay Governance and determined that no conflicts of interest existed. The Compensation and Personnel Committee has the sole authority to retain and terminate consultants, including Pay Governance, with respect to compensation matters.

External Benchmarking

In 2015, as in past years, the Compensation and Personnel Committee looked to competitive market compensation data for companies comparable to ITT to establish overall policies and programs that address executive compensation, benefits and perquisites in line with its stated pay philosophy.

For 2015 pay decisions for the CEO and CFO, the Company used a peer group of 16 companies comparable to ITT in terms of revenue, market capitalization and industry in order to better compare executive compensation market practices (the "Representative Peer Group"). The CEO and CFO roles are more easily compared from company to company, taking into account revenue levels between the companies. The 2015 Representative Peer Group consisted of the following companies:

- Actuant Corporation (ATU)
- AMETEK, Inc. (AME)
- Barnes Group, Inc. (B)
- Carlisle Companies Incorporated (CSL)
- Colfax Corporation (CFX)
- Crane Co. (CR)
- EnPro Industries, Inc. (NPO)
- Esterline Technologies Corporation (ESL)
- Flowserve Corporation (FLS)
- Harsco Corporation (HSC)
- Hubbell Incorporated (HUB)
- IDEX Corporation (IEX)
- Nordson Corporation (NDSN)
- Roper Industries, Inc. (ROP)
- SPX Corporation (SPW)
- Woodward, Inc. (WWD)

The Compensation and Personnel Committee annually reviews and evaluates this Representative Peer Group to ensure that it remains appropriate. For 2016, SPX Flow, Inc. replaced SPX in the Representative Peer Group, following SPX Flow's spin-off from SPX Corporation in late 2015.

The Compensation and Personnel Committee's review of external market data also included, as the primary reference for the other NEOs (and as a secondary reference for the CEO and CFO), analysis of the Towers Watson Compensation Data Bank ("CDB") and other compensation survey information provided by Pay Governance. In particular, the Compensation and Personnel Committee's analysis used a benchmark group of 70 companies from the Industrials, Materials and Energy sectors that were available in the CDB with annual revenue between $1.25 billion and $5 billion, in order to provide a representative sample of the Company's broader market for executive talent (see Appendix A attached).

Elements of Compensation

NEO Compensation Elements at a Glance

The disclosure of our NEO compensation for 2015 covers the following executive officers, including leaders of certain of our business segments ("Segments"):

- Denise L. Ramos, Chief Executive Officer and President;
- Thomas M. Scalera, Executive Vice President and Chief Financial Officer;
- Aris C. Chicles, Executive Vice President and President, Industrial Process;
- Luca Savi, Executive Vice President and President, Motion Technologies; and
- Victoria Creamer, Senior Vice President and Chief Human Resource Officer.

The compensation of our executive officers, including our NEOs, is reviewed in detail by the Compensation and Personnel Committee during the first quarter of every year. NEO direct compensation for 2015 consists of a base salary, an AIP award, and long-term incentive awards, each of which is detailed below.

Compensation Element	Form	Rationale for Providing
Base Salary	Cash	Base salary is a competitive fixed pay element tied to role, experience, performance and criticality of skills.
Annual Incentive Plan (AIP) Awards	Cash	The AIP is designed to reward achievement of the enterprise (company), Segments (where applicable) and individual performance. The AIP is structured to emphasize overall performance and collaboration among the Segments. It uses metrics (adjusted earnings per share, adjusted cash flow, adjusted operating margin and adjusted revenue) that are the fundamental short-term drivers of shareholder value. Each NEO also has 10% of his or her AIP tied to the achievement of individual and team goals.
Long-Term Incentive (LTI) Awards	Stock	The long-term incentive plan is designed to reward performance that drives long-term shareholder value through the use of three-year cliff vesting: Performance units (50% of LTI mix) provide rewards linked to absolute stock price performance (due to denomination as share units) and can go up or down based on two key measures, equally weighted, and aligned with long-term growth: Total Shareholder Return Return on Invested Capital RSUs (25% of LTI mix) link executive compensation to absolute stock price performance and strengthen retention value. Stock options (25% of LTI mix) only provide value if there is stock price appreciation. The actual award date of stock options, RSUs and performance units is determined on the date on which the Compensation and Personnel Committee approves these awards, which is typically in February or March. Performance units reflect a three-year performance period starting on January 1st of the year in which the Compensation and Personnel Committee approved the performance unit.

The Company also provides benefits and limited perquisites to its NEOs that it believes are competitive with the external market for talent. For a more detailed discussion of these benefits and perquisites, see the discussion under the heading "Elements of Compensation—Benefits and Perquisites."

How the Pay Mix Supports Pay-for-Performance Alignment

The Compensation and Personnel Committee believes that these compensation elements work together to provide a reasonable mix of short-term and long-term compensation and fixed and variable compensation to provide alignment of each NEO's objectives and rewards with the interests of the Company's shareholders. As a NEO's scope of responsibility increases, the amount of performance-based pay increases and fixed pay decreases in relation to the NEO's level within the Company. The charts below show the mix between fixed and variable compensation and between long term and short term incentives for our CEO and other NEOs.

Note: The information above reflects 2015 base salary, 2015 target AIP award, and 2015 target long-term incentive grant value. Calculations exclude the value of special, long-term incentive grants. Short-term compensation is composed of base salary and target AIP award. Long-term compensation is composed of target long-term incentive grant value. Fixed compensation is composed of base salary. Variable compensation is composed of target AIP award and target long-term incentive grant value.

2015 Base Salary Increases

The Company awarded base salary merit increases in February 2015.

The Compensation and Personnel Committee reviewed the compensation levels of the NEOs based on the Representative Peer Group and the external survey data provided by Pay Governance. Based on the Compensation and Personnel Committee's targeted pay positioning, the evaluation of each NEO's performance, and the external market data on competitive pay levels provided by Pay Governance, the Compensation and Personnel Committee approved the following 2015 NEO salaries, effective February 28, 2015:

Named Executive Officer	2014 Annual Base Salary	2015 Annual Base Salary	Change
Denise L. Ramos	$950,000	$1,000,000	5%
Thomas M. Scalera	430,000	475,000	10%
Aris C. Chicles	430,000	438,500	2%
Luca Savi(1)	452,880	461,760	2%
Victoria Creamer(2)	Not Applicable	350,000	Not Applicable

(1) Mr. Savi is employed by ITT Italia s.r.l. and is paid in Euros. His 2014 annual base salary of €408,000 and his 2015 annual base salary of €416,000 were converted to U.S. dollars using the 2015 average exchange rate of 1.11.

(2) Ms. Creamer joined ITT in February 2015.

2015 Annual Incentive Plan

For 2015, AIP payouts averaged 119% of target for the NEOs, reflecting strong net operating productivity and effective cost containment in a challenging macroeconomic environment. The Company's AIP provides for an annual cash payment to participating executives established as a target percentage of base salary. In setting AIP awards, the Compensation and Personnel Committee approves target AIP awards after careful consideration of external data, individual roles and responsibilities and individual performance.

The Company pays for AIP performance that demonstrates substantial achievement of plan goals. We established strong incentives and set aggressive goals for all financial metrics.

Our most senior executive officers' eligibility to receive AIP awards is first conditioned upon the attainment of a threshold performance metric established by the Compensation and Personnel Committee, which for 2015 was the achievement of an EBITDA target of 50% of prior year's EBITDA. This threshold is established in order to qualify bonus payments as performance-based compensation deductible under Section 162(m). Upon satisfaction of this performance threshold, the Compensation and Personnel Committee may exercise negative discretion to determine AIP payments for these individuals in accordance with the performance criteria applied to all other AIP participants. These AIP performance metrics are described below under the heading "2015 AIP Performance Metrics and Weight." In 2015, for each NEO, they included four financial metrics and an individual component. In 2015, the Compensation and Personnel Committee exercised negative discretion to subject the most senior executive officers to the same performance criteria as all other AIP participants and to consider each officer's performance against his or her individual goals.

Under these performance criteria, in order to achieve an AIP payout, the Company must achieve a certain threshold for each of the four financial metrics in order for each performance component to be considered in the calculation. Performance below the threshold performance level results in a zero payout for that particular performance component.

The formula to determine each NEO's AIP total potential payment is as follows:

2015 AIP Potential Payout =

(Base Salary) x (Target Award Percentage) x (AIP Performance Factor)

Both the individual performance components of the AIP and the overall AIP award are capped at 200%. The Compensation and Personnel Committee maintains the right to exercise negative discretion when determining AIP awards, but did not exercise further negative discretion in the case of our NEOs, when determining the 2015 AIP awards under the criteria described below.

2015 AIP Awards Paid in 2016

The 2015 AIP awards that were paid in March 2016 are as follows:

Named Executive Officer	2015 Target AIP Awards as Percentage of Base Salary	2015 Target AIP Awards	2015 AIP Awards (Paid in First Quarter 2016)	2015 AIP Awards as Percentage of Target (Paid in First Quarter 2016)
Denise L. Ramos	100%	$1,000,000	$1,162,000	116%
Thomas M. Scalera	75%	356,250	417,525	117%
Aris C. Chicles	75%	328,875	348,608	106%
Luca Savi(1)	65%	300,144	432,207	144%
Victoria Creamer	60%	210,000	235,620	112%

(1) Mr. Savi is employed by ITT Italia s.r.l. and his 2015 AIP Target and 2015 AIP award paid have been converted from Euro (€) to U.S dollars using the 2015 average exchange rate of 1.11.

2015 AIP Performance Metrics and Weight

Based on the Company's 2015 business objectives, the Compensation and Personnel Committee identified five performance metrics for the AIP for the 2015 performance year. The following table shows the weighting assigned to each NEO for each AIP performance metric:

Named Executive Officer	Adjusted Earnings per Share	Adjusted ITT Cash Flow	Adjusted ITT Operating Margin	Adjusted ITT Revenue	Adjusted Segment Free Cash Flow	Adjusted Segment Operating Margin	Adjusted Segment Revenue	Individual Component
Denise L. Ramos	30%	25%	25%	10%	—	—	—	10%
Thomas M. Scalera	30%	25%	25%	10%	—	—	—	10%
Aris C. Chicles	30%	—	—	—	25%	25%	10%	10%
Luca Savi	30%	—	—	—	25%	25%	10%	10%
Victoria Creamer	30%	25%	25%	10%	—	—	—	10%

As permitted by the ITT Annual Incentive Plan for Executive Officers, the Compensation and Personnel Committee may exclude the impact of acquisitions, dispositions and other special items in computing AIP awards. The four financial performance metrics applicable to each NEO are therefore non-GAAP financial measures and should not be considered a substitute for measures determined in accordance with GAAP. These non-GAAP financial measures may not be comparable to similar measures reported by other companies. Descriptions of each of the performance metrics are as follows:

Metric	Reason for Selection	Details
Adjusted Earnings per Share	Important measure of the value provided to shareholders	Reflects the adjusted non-GAAP earnings per share from continuing operations of the Company. Special items may include, but are not limited to, asbestos-related costs, transformation, realignment and repositioning costs, restructuring costs and asset impairment charges, unbudgeted acquisition-related expenses, income tax settlements or adjustments and other unusual or infrequent non-operating items. Special items represent charges or credits on an after-tax basis that impact current results, but may not be related to the Company's ongoing operations and performance.
Adjusted Cash Flow and Adjusted Segment Free Cash Flow	Important measure of how the Company converts its net earnings into deployable cash	At the corporate level, Adjusted Cash Flow is a non-GAAP measurement defined as net cash provided by operating activities less capital expenditures, cash payments for repositioning costs, net asbestos cash flows and other significant items that impact current results that management believes are not related to ongoing

		operations and performance. At the Segment level, the Company uses the non-GAAP measure Adjusted Segment Free Cash Flow. Adjusted Segment Free Cash Flow is defined as Segment level net cash flow from operating activities, less capital expenditures and adjusted for special items.
Adjusted Operating Margin and Adjusted Segment Operating Margin	Emphasizes the importance of maintaining healthy margins	Adjusted Operating Margin is defined as the ratio of adjusted operating income, over adjusted revenue. Adjusted Segment Operating Margin is defined as the ratio of adjusted segment operating income over adjusted revenue. Adjustments include, but are not limited to, the impact of unbudgeted acquisitions and divestitures and special items.

Metric	Reason for Selection	Details
Adjusted Revenue and Adjusted Segment Revenue	Reflects the Company’s emphasis on growth	Adjusted Revenue is defined as GAAP revenue excluding the estimated impact of foreign currency fluctuations and the impact from unbudgeted acquisitions and divestitures made in the last 12 months. Adjusted Segment Revenue is Adjusted Revenue, calculated at the segment level.
Individual Component	Provides focus on supporting enterprise initiatives that will create growth and increase shareholder value	Each NEO establishes several personal or team goals related to Company initiatives or Segment initiatives that are aligned with the strategy of the business and the goals of the CEO. For 2015, four areas that were established at the start of the performance period were: (1) building a high performing culture and enhancing the strength of the ITT leadership team, (2) driving operational execution and lean manufacturing with continuous process improvement, (3) targeting research and development investment at key initiatives and (4) cultivating and pursuing acquisition opportunities. The Compensation and Personnel Committee and the Chief Executive Officer evaluate achievement of these goals and assign payout percentages.

AIP 2015 Performance Targets and Results

Corporate Performance Targets: The Adjusted EPS, Adjusted Cash Flow, Adjusted Operating Margin and Adjusted Revenue targets were based on the Company’s 2015 operating plan. The Compensation and Personnel Committee reviewed the operating plan with management to ensure that the targets were appropriate. The Compensation and Personnel Committee determined that the achievement of the combination of financial goals would be challenging and reflect strong performance. The table below sets forth the target and actual results for each 2015 AIP financial performance metric at the corporate level.

Corporate Financial Performance Targets

Metric	Threshold (50%)	Target (100%)	Maximum (200%)	2015 Results	2015 Payout
Adjusted Earnings per Share	$2.34	$2.60	$2.99	$2.54	88.4%
Adjusted ITT Cash Flow	$145M	$170M	$204M	$183M	137.9%
Adjusted ITT Operating Margin	11.4%	12.7%	14.6%	13.0%	116.9%
Adjusted ITT Revenue	$2,330M	$2,587M	$2,848M	$2,512M	85.4%

The financial performance targets for Mr. Chicles (Industrial Process) and Mr. Savi (Motion Technologies) reflect their respective Segments.

Segment Financial Performance Targets

Metric	Threshold (50%)	Target (100%)	Maximum (200%)	2015 Results	2015 Payout
Adjusted Segment Operating Margin (Industrial Process)	11.7%	13.0%	15.0%	13.0%	100.0%
Adjusted Segment Operating Margin (Motion Technologies)	16.3%	18.1%	20.8%	18.8%	125.9%
Adjusted Segment Revenue (Industrial Process)	$1,062M	$1,180M	$1,298M	$1,141M	83.6%
Adjusted Segment Revenue (Motion Technologies)	$675M	$750M	$825M	$757M	109.5%

The Company does not report on the Adjusted Segment Free Cash Flow metric, as disclosing this specific target would result in competitive harm to the Company in that it may inform competitors and other parties as to the basis for future business decisions and provide insights into the Company’s confidential planning process and strategies.

AIP Individual Component Considerations

Each NEO has 10% of their AIP bonus target based on the individual component, which rewards for achievement of their individual and team goals. The Compensation and Personal Committee considered the following achievements when determining the individual component payout of each NEO. The considerations for the CEO are described below under "CEO Compensation Decisions."

Thomas M. Scalera, Executive Vice President and Chief Financial Officer:

- Provided leadership of Merger and Acquisition and Strategy function, delivering two successful acquisitions and one divestiture in 2015;
- Leveraged capabilities of the ITT Management System team to increase operational excellence within the Value Centers;
- Continued leadership and advancement in overall management of asbestos-related matters; and
- Delivered strong financial results with a focus on operational and corporate efficiency gains.

Aris C. Chicles, Executive Vice President and President, Industrial Process:

- Completed shift to new organization design focused on three business units while creating strong product management approach;
- Executed challenging restructuring plan and footprint optimization;
- Delivered turnaround of Bornemann through integration, creation of growth strategy and leadership changes; and
- Delivered strong adjusted operating income margins (+230 bps) during a challenging economic year in oil and gas.

Luca Savi, Executive Vice President and President Motion Technologies:

- Delivered market share gains across all regions;
- Quickly recovered from operational disruption in Koni, while achieving solid financial results;
- Drove successful acquisition of Wolverine Advanced Materials; and
- Delivered strong operating margins in China.

Victoria Creamer, Senior Vice President and Chief Human Resource Officer:

- Continued transformation of Human Resources function through re-alignment of organization;
- Re-designed and simplified the U.S. benefits approach through shifting to a private exchange;
- Deployed consistent performance management approach for professional roles with a focus on goals and competencies; and
- Executed resource strategies supporting lean transformation and optimization of work locations.

2015 Long-Term Incentive Compensation

In 2015, long-term incentives for our NEOs were allocated as follows:

- 50% was granted in performance units calculated based on the closing stock price on the grant date less the estimated dividend yield during the 3-year performance period;
- 25% was granted in RSUs calculated based on the closing stock price on grant date; and
- 25% was granted in stock options calculated using a valuation model consistent with accounting expense.

The following table shows the target value of the long-term incentive award grants made to NEOs in February 2015 as part of the Company's regular annual compensation process. These long-term incentive values were determined, taking into account base pay and annual incentive values, in developing market competitive total compensation levels and an appropriate mix of fixed versus variable and short-term versus long-term incentives. These values also considered each NEO's role, potential long-term contribution, performance, experience and skills.

Named Executive Officer	Performance Unit Awards (Target Award)	RSUs	Stock Options	Total(1)
Denise L. Ramos	$2,125,000	$1,062,500	$1,062,500	$4,250,000
Thomas M. Scalera	400,000	200,000	200,000	800,000
Aris C. Chicles	375,000	187,500	187,500	750,000
Luca Savi(2)	162,500	81,250	81,250	325,000
Victoria Creamer	175,000	87,500	87,500	350,000

(1) The values in this table differ slightly from the values reported in the Summary Compensation Table and the Grants of Plan-Based Awards in 2015 table, each of which present the value recorded for accounting purposes.

(2) Mr. Savi is employed by ITT Italia s.r.l. and his compensation, including long-term incentive awards, is based on benchmark data and pay practices for similar roles in Italy.

Special Grants

In addition to annual long-term incentive awards, the Compensation and Personnel Committee may award special grants in the form of performance units, RSUs or stock options. These grants are used to attract new senior executives to ITT, provide additional retention incentive or reward extraordinary performance. Three NEOs received the following special grants during 2015, which are not reflected in the table above:

Mr. Scalera received a special grant of $200,000 in RSUs, which vest 100% three years after the grant date. The award was granted to recognize Mr. Scalera's performance as CFO and also for his leadership managing the strategy and information technology functions.

Mr. Savi received a special grant of $400,000 in RSUs, which vest 100% three years after the grant date. The award was granted to recognize Mr. Savi's performance in driving continued strong financial results at Motion Technologies and to provide additional retention incentive.

Ms. Creamer received a special grant of 2,500 RSUs ($103,800 at grant date), which vest 100% three years after grant date, pursuant to the terms of her employment offer letter to replace forfeited stock awards from her previous employer and to induce her to join ITT.

The Company's long-term incentive awards take a portfolio approach by using three distinct vehicles, each addressing long-term shareholder value alignment in different ways. The Compensation and Personnel Committee believes these three types of awards in combination provide strong shareholder alignment, retention value, and the opportunity to leverage awards up and down consistent with absolute and relative stock price performance, as well as Company performance over the long term.

Performance Unit Awards. Performance units are settled in shares after a three-year performance vesting period, with performance tied equally to the Company's Return on Invested Capital (ROIC) and the Company's three-year total shareholder return (TSR) performance relative to the performance of the S&P 400 Capital Goods Index, of which ITT is a member.

- ROIC was selected as a metric by the Committee because it drives efficient and disciplined deployment of capital and is a strong driver of shareholder value.
- Relative TSR was selected as a metric to ensure executive compensation is aligned with shareholder value creation.

The number of shares delivered can range from zero to 200% of the units initially awarded, depending on performance, and delivery generally requires employment throughout the three-year performance period. Performance units therefore provide alignment with absolute stock performance, relative stock performance, Company performance, and potential retention value.

There are up to three outstanding performance unit awards at any time. No dividend equivalents are accrued on unvested performance units.

Measuring TSR performance:

- TSR performance is measured for all companies in the index by comparing the average closing stock price for the month of December prior to the start of the three-year performance cycle, to the average closing stock price for the month of December that concludes the three-year performance cycle, including adjustments for reinvested dividends and extraordinary payments.
- Vesting at the end of the applicable three-year performance period is based on the Company’s TSR performance ranked against the TSR performance of the other companies within the index. The amount vested, if any, is established on a straight-line basis between the 35th and 80th percentile of performance.

If Company’s Relative Total Shareholder Return Performance is:	Payout Factor for TSR Component of Performance Unit Award
at the 80th percentile or greater	200%
at the 50th percentile	100%
at the 35th percentile	50%
less than the 35th percentile	0%

Measuring ROIC performance:

- ROIC is defined as: after-tax earnings before interest, taxes and amortization (EBITA), excluding any special items, divided by total assets (excluding asbestos receivable), less non-interest bearing current liabilities. Special items must be approved by the Committee and they represent significant charges or credits that impact results, but may not be related to the Company’s ongoing operations and performance.
- In 2015, the Company established threshold, target and maximum ROIC performance targets for the three-year performance period from 2015 through 2017.

2015 ROIC Award	Performance Targets	Payout*
Maximum	13.0%	200%
Target	12.0%	100%
Threshold	11.0%	50%

* Payouts for performance between threshold and maximum are interpolated

- The ROIC performance targets are designed to be appropriately challenging, and there is a risk that the performance units will not vest or will vest at less than 100% of the target amount. The level of performance required to attain a threshold payout is generally set at a level of performance where the Compensation and Personnel Committee believes that a significantly reduced incentive payment is appropriate and below which no payout is appropriate. The level of performance to attain the target payout is designed to be reasonably challenging. The level of performance to attain a maximum payout is generally set at a level of performance that the Compensation and Personnel Committee deems exceptional.
- Vesting, if any, generally occurs following the end of the applicable three-year performance period and is based on the ROIC achieved during the final year of the performance period.

Restricted Stock Units. RSUs are settled in shares after a three-year vesting period and provide alignment with stock performance and retention value. Grants of RSUs provide NEOs with stock ownership of unrestricted shares after the restrictions lapse. NEOs receive RSU awards because, in the judgment of the Compensation and Personnel Committee and based on management recommendations, these individuals are in positions most likely to influence the achievement of the Company’s long-term value creation goals and to create shareholder value over time. The Compensation and Personnel Committee reviews all grants of RSUs for executive officers prior to the award, including awards based on performance, retention-based awards and awards contemplated for new employees as part of employment offers. The CEO has the authority to grant RSUs to other employees in certain situations. These grants are reviewed by the Compensation and Personnel Committee at its next scheduled meeting. RSUs do not grant dividend or voting rights to the holder over the vesting period, however, dividend equivalents are accrued and paid after vesting. In certain cases, such as for new hires or to facilitate retention, selected employees may receive RSUs subject to different vesting terms.

Stock Options. Stock options provide the right to buy ITT stock in the future at a price equal to the stock's closing value on the date of the option grant, which is the stock option exercise price. Stock options have a 10-year term and a three-year vesting period before becoming exercisable and provide alignment with stock price growth. Stock option awards to employees other than executive officers generally vest one-third per year over the three years. Non-qualified stock option terms were selected after the Compensation and Personnel Committee's review and assessment of market practices and consideration of terms best suited to the Company.

In 2015, the fair value of stock options granted under the employee stock option program was calculated using a binomial lattice valuation model, a financial model used to determine the value of stock options. This model applies a binomial approach to discrete time periods to value the option to purchase a share of stock.

Key elements of the non-qualified stock options granted to NEOs in 2015 were as follows:

- Exercise Price:

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

Stock options granted to new executives have an exercise price equal to the closing price on the grant date, generally during the first of the month of employment.

The 2011 Plan prohibits the repricing of, or exchange of, stock options and stock appreciation rights that are priced below the prevailing market price with lower-priced stock options or stock appreciation rights without shareholder approval, except in the event of an equity restructuring.

- Vesting Schedule:

Three-year cliff vesting is required for executives at the level of senior vice president or above.

Stock options cannot be exercised prior to vesting.

- Option Term and Exercise Period:

Stock options awarded between 2005 and 2009 expire seven years after the grant date. Stock options awarded after 2009 expire 10 years after the grant date.

There may be adjustments to the post-employment exercise period of a stock option grant if an employee's tenure with the Company is terminated due to death, disability, retirement or termination by the Company other than for cause, provided that any post-employment exercise period cannot exceed the original expiration date of the stock option.

2013 Performance Unit Award Payout

In 2013, ITT granted performance unit awards to certain executives, including each of the NEOs except for Ms. Creamer. The payout of the 2013 performance unit is based equally on the Company's TSR performance relative to the performance of the S&P 400 Capital Goods Index and the Company's ROIC relative to certain performance targets, each over the three-year performance period.

- 2013-2015 TSR Results: During the three-year performance period, ITT's TSR was at the 76th percentile of the index of companies, which resulted in a payout that was 186% of target.
- 2013-2015 ROIC Results: ITT's ROIC performance was 11.44%, which resulted in a payout of 144% of target. ITT's ROIC expanded 144 basis points over the three years and exceeded the 2015 peer group median by 174 basis points.

2013 ROIC Award	Performance Targets	Payout*
Maximum	12.0%	200%
Target	11.0%	100%
Threshold	10.0%	50%

* Payouts for performance between threshold and maximum are interpolated

The overall payout of 165% is based on equal weighting of the TSR payout (186%) and the ROIC payout (144%):

Name	2013 Performance Units Granted (at target)	2013 Payout Factor	2013 Performance Units Vested
Denise L. Ramos	54,871	165%	90,537
Thomas M. Scalera	11,972	165%	19,754
Aris C. Chicles	12,324	165%	20,335
Luca Savi	5,360	165%	8,844
Victoria Creamer(1)	Not Applicable	Not Applicable	Not Applicable

(1) Ms. Creamer joined ITT in 2015.

Benefits and Perquisites

All of the NEOs, except for Mr. Savi who is employed by ITT Italia s.r.l., are eligible to participate in the Company's broad-based U.S. employee benefits program. The program includes the ITT Retirement Savings Plan, which provides before-tax and after-tax savings features, group medical and dental coverage, group life insurance, group accidental death and dismemberment insurance and other benefit plans. Prior to the spin-off of our defense and water businesses on October 31, 2011 to establish a new diversified global, multi-industrial company (the "Spin Transaction"), employees also participated in a pension program.

All of the NEOs, except for Mr. Savi, together with most of the Company's other salaried employees who work in the United States, participate in the ITT Retirement Savings Plan, a tax-qualified savings plan, which allows employees to contribute to the plan on a before-tax basis and/or on an after-tax basis. The Company makes a core contribution of 3% or 4% of pay to the plan for all eligible employees, and matches 50% of employee contributions, up to 6% of pay. The core contribution is 3% for employees whose age plus service is less than 50, and 4% for employees whose age plus service is at least 50. In addition, employees who were participating in the ITT Salaried Retirement Plan at the time it was frozen, as described below, and whose age and service was at least 60 at that time, may be eligible for up to five years of transition employer contributions following the Spin Transaction. Prior to the Spin Transaction, the floor contribution was 0.5% and all contributions were based on base salary only; since October 31, 2011, the plan considers salary and bonus as eligible pay.

The Company provides only those perquisites that it considers to be reasonable and consistent with competitive practices. Perquisites available for Ms. Ramos, Mr. Scalera, Mr. Chicles and Ms. Creamer include an automobile allowance of $1,300 per month and financial and estate planning reimbursement of up to $15,000 per year. As noted above, the automobile allowance was eliminated on January 1, 2016. Mr. Savi is provided a leased car. Since 2011, the Company has not provided any tax gross-up for personal income taxes due on these perquisites.

Amounts reported as perquisites also include reimbursement of certain relocation-related expenses. Mr. Chicles has been receiving a $5,000 monthly allowance since June 2014 for housing and commuting expenses in connection with his appointment to lead the Industrial Process segment, which is headquartered in Seneca Falls, NY. The Company is committed to only providing special relocation assistance when there is a compelling business need to do so. As noted in the Executive Summary, the Company is making significant investments in its people, focusing on talent management and building capability to grow our leaders from within. These investments will enable the Company to identify and develop leaders with a greater focus on effective succession planning.

Retirement plan for Mr. Savi: Mr. Savi participates in a supplemental retirement plan provided under the terms of a collective bargaining agreement. These benefits are provided in addition to the Italian government-provided retirement benefits. Under the terms of the plan Mr. Savi can contribute up to €6,000 annually and receive a company matching contribution of up to €6,000.

Employee Benefits for Mr. Savi: Mr. Savi is eligible for other statutory retirement and health and welfare benefits that are generally provided to our employees in Italy. During Mr. Savi's assignment in China, he and his family will be covered by ITT's international healthcare coverage plan, which covers all employees that participate in an international assignment.

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Other Compensation and Benefits
CEO Compensation and Employment Agreement
Ms. Ramos has an employment agreement with the Company that governs the terms of her employment. The agreement was entered into on October 31, 2011 and does not have a stated expiration date. Ms. Ramos' compensation for 2015 is set forth under the heading "CEO Compensation Decisions."
If the Company terminates her employment other than for cause (as defined in her employment agreement) and other than as a result of her death or disability, in any case prior to her normal retirement date, Ms. Ramos will, subject to certain conditions and limitations set forth in her employment agreement, be entitled to severance pay in an amount equal to two times the sum of her then-current annual base salary and target annual incentive payable in installments over 24 months and will also be entitled to receive certain benefits during that time. The terms of her employment agreement were described in the amended Current Report on Form 8-K filed on October 20, 2011.
Post-Employment Compensation
Deferred Compensation Plan. Our NEOs, except Mr. Savi, are eligible to participate in the ITT Deferred Compensation Plan. This plan provides United States executives an opportunity to defer receipt of between 2% and 90% of any AIP awards they earn. The amount of deferred compensation ultimately received reflects the performance of benchmark investment funds made available under the Deferred Compensation Plan as selected by the executive. Participants in the Deferred Compensation Plan may elect a fund that tracks the performance of the Company's common stock.
Frozen Plans
ITT Salaried Retirement Plan: Until October 31, 2011, most of the Company's salaried employees who work in the United States participated in the ITT Salaried Retirement Plan. Under the plan, participants could elect, on an annual basis, to be covered by either a Traditional Pension Plan (described elsewhere in this Proxy Statement under the heading "Compensation Tables—2015 Pension Benefits") or a Pension Equity Plan formula for future pension accruals.

- The ITT Salaried Retirement Plan was a tax-qualified plan, which provided a base of financial security for employees after they cease working. The ITT Salaried Retirement Plan was transferred by the Company to Exelis Inc., our defense business that was spun off in the Spin Transaction, effective on October 31, 2011, and both service credit and accrued benefits were frozen as of that date, and certain participants are eligible to receive transition employer contributions into the ITT Retirement Savings Plan.

ITT Excess Pension Plan: Because federal law limits the amount of benefits that can be paid and the amount of compensation that can be recognized under tax-qualified retirement plans, the Company established, and until October 31, 2011 maintained, a non-qualified, unfunded excess pension plan solely to pay retirement benefits that could not be paid from the ITT Salaried Retirement Plan. Ms. Ramos, Mr. Scalera and Mr. Chicles participated in this plan. The ITT Excess Pension Plan was transferred by the Company to Exelis Inc., effective on the date of the Spin Transaction, and both service credit and accrued benefits were frozen as of that date. In 2015, the Harris Corporation acquired Exelis, Inc., which triggered a lump sum payout of individual benefits accumulated under the ITT Excess Pension Plan. As of December 31, 2015 the Plan has been paid out and closed, and none of the NEOs have any additional benefits owed to them under this Plan.
Severance Plan Arrangements
The Company maintains severance arrangements for most of its senior executives, including all of the NEOs except Mr. Savi. These arrangements are included in two plans, one covering most severance circumstances (the Senior Executive Severance Pay Plan), and the other covering severance following a change-in-control event (the Senior Executive Change in Control Severance Pay Plan). These plans are regularly reviewed by the Compensation and Personnel Committee.
The purpose of the Senior Executive Severance Pay Plan is to provide a period of transition for senior executives. The Senior Executive Severance Pay Plan applies to Mr. Scalera, Mr. Chicles and Ms. Creamer. The severance terms for Ms. Ramos are covered under her employment agreement. The severance terms for Mr. Savi are covered under the National Collective Agreement for the Industrial Sector Managers in Italy. This agreement provides Mr. Savi with termination benefits in the event his employment is terminated for other than cause. Senior executives, who are full-time salaried employees of the Company or any subsidiary, who are paid under a U.S. payroll and who report

directly to the CEO, are covered by the Senior Executive Severance Pay Plan. The plan generally provides for severance payments if the Company terminates a senior executive's employment without cause.

The purpose of the Senior Executive Change in Control Severance Pay Plan is to provide compensation in the case of termination of employment in connection with an acceleration event (defined under the heading "Potential Post—Employment Compensation—Change of Control Arrangements") including a change of control. The provisions of this plan are specifically designed to address the inability of senior executives to influence the Company's future performance after certain change of control events. The plan is structured to encourage executives to act in the best interests of shareholders by providing for certain compensation and retention benefits and payments in the case of an acceleration event.

These plans, including the potential post-employment payments that our NEOs would receive pursuant to these plans, are described in more detail elsewhere in this Compensation Discussion and Analysis under the heading "Potential Post-Employment Compensation." The severance plans apply to the Company's key employees as defined by Section 409A.

Policies

The Role of Risk and Risk Mitigation

In 2015, the Compensation and Personnel Committee evaluated risk factors associated with the Company's businesses in determining compensation structure and pay practices. The structure of the Board of Directors' committees facilitates this evaluation and determination. More specifically, during 2015, the Chair of the Compensation and Personnel Committee was a member of the Audit Committee. This membership overlap provides insight into the Company's business risks and affords the Compensation and Personnel Committee access to the information necessary to consider the impact of business risks on compensation structure and pay practices. Further, overall enterprise risk is considered and discussed at Board meetings, providing additional important information to the Compensation and Personnel Committee. The Chief Executive Officer and President, and the Executive Vice President and Chief Financial Officer, attend those portions of the Compensation and Personnel Committee meetings at which plan features and design configurations of the Company's annual and long-term incentive plans are considered and approved.

We believe our executive compensation program appropriately balances risk with maximizing long-term shareholder value. The following features of our executive compensation program especially contribute to the achievement of this goal:

- Emphasis on Long-Term Compensation. By granting long-term incentive compensation at 30% to 68% of our NEOs' total compensation package, the Compensation and Personnel Committee believes that it is encouraging strategies that correlate with the long-term interests of the Company. The Company's long-term incentive awards, described elsewhere in this Compensation Discussion and Analysis under the heading "Elements of Compensation—2015 Long-Term Incentive Compensation," feature a three-year vesting threshold for senior vice presidents and 10-year stock option terms, encouraging behavior focused on long-term value creation. Performance unit awards focus on ITT's three-year stock price and Return on Invested Capital, encouraging behavior focused on long-term goals while discouraging behavior focused on short-term risks.
- Pay Mix. 16% to 42% of total target compensation is fixed for NEOs while the remaining total compensation is tied to performance, consistent with the Company's pay-for-performance philosophy. As scope of responsibility increases, the amount of performance-based pay increases and fixed pay decreases in relation to the level within the Company. The Company's incentive design provides multiple performance time frames and a variety of financial measures that are intended to drive profitable and sustained growth.
- Clawback Policy. The Company has a policy that provides for recoupment of performance-based compensation if the Board of Directors determines that a senior executive has engaged in fraud or willful misconduct that caused or otherwise contributed to the need for a material restatement of the Company's financial results. In such a situation, the Board will review all compensation awarded to or earned by that senior executive on the basis of the Company's financial performance during fiscal periods materially affected by the restatement. This would include annual cash incentive and bonus awards and all forms of equity-based compensation. If, in the Board's view, the compensation related to the Company's financial performance would have been lower if it had been based on the restated results, the Board will, to the extent permitted by applicable law, seek recoupment from that senior executive of any portion of such compensation as it deems appropriate after a review of all relevant facts and circumstances. The NEOs are covered by this policy. In 2014, the Compensation and Personnel Committee amended the Clawback Policy to cover all executives that receive performance unit awards.
- Required Executive Stock Ownership. NEOs are required to own Company shares or share equivalents with a value equal to a multiple of their base salary, as discussed in more detail below. We believe this requirement aligns their interests with the interests of the Company's shareholders and also discourages behavior that is focused only on the

short-term.

- Prohibition Against Speculating, Hedging or Pledging Company Stock. The Company has a policy prohibiting employees from hedging and speculative trading in and out of the Company's securities, including short sales and leverage transactions, such as puts, calls, and listed and unlisted options. The Company also prohibits employees from pledging Company securities as collateral for a loan.

- Rule 10b5-1 Trading Plans. ITT's Board of Directors has authorized the use by executive officers of prearranged trading plans under Rule 10b5-1 under the Exchange Act. Rule 10b5-1 permits insiders to adopt predetermined plans for selling specified amounts of stock or exercising stock options under specified conditions and at specified times. Executive officers may only enter into a trading plan during an open trading window and they must not possess material nonpublic information regarding the Company at the time they adopt the plan. Using trading plans, insiders can diversify their investment portfolios while avoiding concerns about transactions occurring at a time when they might possess material nonpublic information. Generally, under these trading plans, the individual relinquishes control over the transactions once the trading plan is put into place. Accordingly, sales under these plans may occur at any time, including possibly before, simultaneously with, or immediately after significant events involving the Company. Both new plans and modifications are subject to a mandatory "waiting period" designed to safeguard the plans from manipulation or market timing. All trading plans adopted by executive officers are reviewed and approved by the Company's Legal Department.

Executive Stock Ownership Guidelines

The Company maintains stock ownership guidelines for all of its executive officers, including the NEOs. Executive officers have five years in order to meet the guidelines.

Share ownership guidelines for officers specify the desired levels of Company stock ownership and encourage a set of behaviors for each officer to reach the guideline levels. The guidelines specify expected share ownership levels expressed as a multiple of base salary, as set forth in the table below. In achieving these ownership levels, shares owned outright, Company restricted stock and unvested RSUs, shares held in the Company's dividend reinvestment plan, shares owned in the ITT Retirement 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, any restricted shares that become unrestricted and all shares acquired through the exercise of stock options will be held, except, in all cases, to the extent necessary to meet tax and exercise price obligations.

Both the guidelines, and compliance with the guidelines, are monitored periodically.

Chief Executive Officer	5 X Annual Base Salary
Chief Financial Officer and Executive Vice Presidents	3 X Annual Base Salary
Senior Vice Presidents	2 X Annual Base Salary
Selected Vice Presidents	1 X Annual Base Salary

As of the date of this Proxy Statement, all NEOs either have met the guidelines, or are on track to meet the guidelines.

Considerations of Tax and Accounting Impacts

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount of compensation that the Company may deduct in any one year with respect to its Chief Executive Officer and the three other highest-paid NEOs, other than the Chief Financial Officer. There is an exception to the $1,000,000 limitation for performance-based compensation meeting certain requirements. Our AIP awards as well as awards under our long-term incentive program are intended to qualify as performance-based compensation deductible under Section 162(m).

However, the Compensation and Personnel Committee realizes that evaluation of the overall performance of the senior executives cannot be reduced in all cases to a fixed formula. There may be situations in which the prudent use of discretion in determining pay levels is in the best interests of the Company and its shareholders and, therefore, desirable. In those situations where discretion is used, awards may be structured in ways that will not permit them to qualify as performance-based compensation under Section 162(m).

The Company's plans are intended to comply with Section 409A of the Internal Revenue Code, to the extent applicable.

CEO Compensation Decisions

2015 Pay Decisions for the CEO

The Company's executive compensation philosophy ties a substantial percentage of CEO compensation to business performance and stock price performance. In the first quarter of each year, the Compensation and Personnel Committee meets to determine CEO pay decisions for base salary, AIP, and long-term incentive grants reflecting both prior year performance and appropriate positioning versus the Representative Peer Group. The following table displays the decisions made in the first quarter of 2015 and the Compensation and Personnel Committee's rationale:

Pay Component	First Quarter 2015 Decisions (following 2014 performance)	Decision Driver for First Quarter 2015 Decisions
Base Salary(1)	$1,000,000	Ms. Ramos' base salary was increased from $950,000 to $1,000,000 in recognition of her leadership in driving strong operating performance, building a foundation and culture for continued future growth and delivering significant shareholder value since the Spin Transaction.
Annual Incentive Plan(2)	1,412,689	The Company significantly exceeded its financial targets, resulting in a 2014 AIP payout for Ms. Ramos of 149% of target based on significant increases in adjusted earnings per share, cash flow, operating margins and revenue growth. These metrics are fundamental to the growth in shareholder value. Ms. Ramos was also recognized for her performance related to personal and team goals associated with strategic initiatives. Ms. Ramos' AIP target for 2015 remained at 100% of base salary.
Long-Term Incentives(3)	4,250,000	The 2015 LTI award was increased from $3,500,000 to $4,250,000 reflecting Ms. Ramos' strong leadership, proven financial and operational results and continued focus on increasing long-term shareholder value.
Total Direct Compensation	$6,662,689	

(1) The base salary total differs from what is displayed in the Summary Compensation Table which appears later in this Proxy Statement because the new salary did not become effective until February 28, 2015.

(2) The AIP bonus shown was paid in March 2015 and is based on 2014 performance and therefore is included in the Summary Compensation Table under 2014 compensation.

(3) The LTI value also differs from what is displayed in the Summary Compensation Table and the Grants of Plan-Based Awards in 2015 table, each of which present the value recorded for accounting purposes.

Pay Decisions for the CEO Following 2015

The following table displays the decisions made in the first quarter of 2016 and the Compensation and Personnel Committee's rationale:

Pay Component	First Quarter 2016 Decisions (following 2015 performance)	Decision Driver for First Quarter 2016 Decisions
Base Salary	$1,000,000	The Committee considered Ms. Ramos' base salary to be competitively positioned and did not increase the rate for 2016.
Annual Incentive Plan(1)	$1,162,000	Ms. Ramos received an AIP payout that was 116% of target. As described above, 90% of the AIP payout for NEOs is tied directly to ITT's financial results. The Committee chose to award Ms. Ramos an above target payout for the 10% individual component of the AIP to recognize her leadership in delivering strong net operating productivity and effective cost containment in a

		challenging macroeconomic environment. Ms. Ramos' AIP target for 2016 remains at 100% of base salary.
Long-Term Incentives[(2)]	$4,500,000	The Committee increased Ms. Ramos' LTI grant value to $4,500,000 in 2016 to reward her leadership and further align her pay with the long-term success of ITT.
Total Direct Compensation	$6,662,000	

(1) The AIP bonus shown was paid in March 2016 and is included in the Summary Compensation Table as 2015 compensation.

(2) The LTI value was granted in February 2016 and is not included in the Summary Compensation Table and the Grants of Plan-Based Awards Table below.

Compensation Tables

Summary Compensation Table

The following table provides information regarding the compensation earned by each of our NEOs.

Name and Principal Position	Year	Salary	Bonus[1]	Stock Awards[2]	Option Awards[3]	Non-Equity Incentive Plan Comp[4]	Change in Pension Value and Non-qualified Deferred Comp Earnings[5]	All Other Comp[6]	Total
Denise L. Ramos	2015	$992,308	$—	$3,335,117	$1,062,571	$1,162,000	$ 24,729	$244,883	$6,821,608
Chief Executive	2014	942,308	—	2,760,828	907,789	1,412,689	234,036	355,421	6,613,071
Officer & President	2013	890,384	—	2,320,489	712,847	1,449,000	—	114,504	5,487,224
Thomas M. Scalera	2015	468,077	—	828,180	200,034	417,525	—	87,092	2,000,908
Executive Vice	2014	426,615	—	512,893	168,588	469,899	18,845	88,073	1,684,913
President and Chief Financial Officer	2013	406,461	—	506,281	155,541	474,300	—	43,834	1,586,417
Aris C. Chicles	2015	437,192	—	588,785	187,543	348,608	—	144,675	1,706,803
Executive Vice	2014	428,462	—	512,893	168,588	382,969	109,950	152,670	1,755,532
President and President, Industrial Process	2013	420,000	—	771,182	160,111	497,700	—	66,118	1,915,111
Luca Savi	2015	460,394	—	655,384	81,309	432,207	—	732,586	2,361,880
Executive Vice	2014	539,162	—	345,518	77,833	457,725	—	164,713	1,584,951
President and President Motion Technologies[7]	2013	517,778	—	252,664	69,663	397,823	—	152,533	1,390,461
Victoria Creamer Senior Vice President and Chief Human Resources Officer	2015	321,731	570,000	378,666	87,554	235,620	—	63,237	1,656,808

(1) The payment for Ms. Creamer was made pursuant to her employment offer letter and intended as an inducement to employment to replace the value of unvested equity awards from her previous employer that she forfeited upon joining the Company in February 2015.

(2) Amounts in this column include the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for performance unit awards and RSUs. A discussion of RSUs, performance unit awards and assumptions used in calculating these values may be found in Note 16 to the Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K.

(3) Amounts in this column include the aggregate grant date fair value of non-qualified stock option awards in the year of grant based on a binomial lattice valuation. A discussion of assumptions relating to stock option awards may be found in Note 16 to the Consolidated Financial Statements in the Company's 2015 Form 10-K.

(4) As described in the "2015 Annual Incentive Plan" section of the Compensation Discussion and Analysis on pages 36-38 of this Proxy Statement, the amounts reported reflect compensation earned for performance under the annual incentive compensation program for that year. AIP payments were made in March 2016. None of the NEOs chose to defer their 2015 AIP payment into the Deferred Compensation Plan.

(5) The change in the present value in accrued pension benefits was determined by measuring the present value of the accrued benefit at the representative dates using a discount rate of 4.0% for December 31, 2014 and 4.3% for December 31, 2015 (corresponding to the discount rates used for the ITT Salaried Retirement Plan). These pension plans are frozen and no additional benefits are being accrued, so the change in pension value reported is a result of changes to the actuarial assumptions used to calculate the present value of the benefits rather than an increase of the benefits. Below is the change in pension value for each NEO from December 31, 2014 to December 31, 2015.

Named Executive Officer	ITT Salaried Retirement Plan	ITT Excess Pension Plan	Total
Denise L. Ramos	$(5,124)	$—	$(5,124)
Thomas M. Scalera	(1,629)	—	(1,629)
Aris C. Chicles	(6,270)	—	(6,270)
Luca Savi	—	—	—
Victoria Creamer	—	—	—

Assumptions used to calculate the above amounts can be found immediately after the 2015 Pension Benefits table. The value of the ITT Salaried Retirement Plan benefits decreased in 2015 and therefore such amounts have not been included in the Summary Compensation Table. Ms. Creamer was hired after October 31, 2011, the date on which the plans were frozen. Mr. Savi is eligible for retirement benefits in Italy.

Accrued benefits under the ITT Excess Pension Plan were paid out to eligible employees on June 1, 2015 due to the Harris Corporation acquisition of Exelis and therefore no values are included in this table. The following NEOs received payments under this plan:

Named Executive Officer	Lump Sum Payment Amount	Pension Value Change from Dec. 31, 2014 to June 1, 2015
Denise L. Ramos	$895,566	$189,175
Thomas M. Scalera	44,521	8,330
Aris C. Chicles	387,494	104,243

The non-qualified deferred compensation earnings include investment returns that were in excess of 3.29%, which was 120% of the Applicable Federal Long-term Rate (AFR) in December 2014 when the deferred compensation plan fixed rate option percentage was set. Ms. Ramos is the only NEO with a deferred compensation balance in 2015 and received $24,729 as a result of the earnings in excess of the AFR. The earnings were calculated by applying the rate of 0.71%, which is the difference between the fixed rate option return of 4.0% and the AFR of 3.29%.

(6) Amounts in this column for 2015 represent items specified in the All Other Compensation Table.

(7) Mr. Savi's compensation was converted from Euro (€) to U.S. dollars based on the average exchange rate for the year Mr. Savi was paid. The exchange rates used were 1.11, 1.33 and 1.33 for 2015, 2014 and 2013, respectively.

All Other Compensation Table

	Denise L. Ramos	Thomas M. Scalera	Aris C. Chicles	Luca Savi	Victoria Creamer
Executive Perquisites:					
Financial Counseling(1)	$9,000	$9,000	$13,000	$—	$15,000
Auto Allowance(2)	15,600	15,600	15,600	41,070	14,340
Relocation Expense(3)	—	—	60,000	309,047	—
Total Perquisites	24,600	24,600	88,600	350,117	29,340
All Other Compensation:					
Tax Reimbursements(4)	—	—	—	278,297	—
Insurance Benefits(5)	4,852	500	1,069	18,960	478
Retirement Plan Contributions(6)	215,431	61,992	55,006	6,600	33,419
Other(7)	—	—	—	78,612	—
Total All Other Compensation	$244,883	$87,092	$144,675	$732,586	$63,237

(1) Amounts represent taxable financial and estate planning services fees paid during 2015.

(2) Semi-monthly taxable auto allowances were provided in 2015 to a range of executives, including the NEOs. Mr. Savi utilizes a car leased by the Company.

(3) Amounts under Relocation Expense:

- Mr. Chicles receives a taxable $5,000 monthly allowance that was initiated in June 2014 for housing and commuting expenses in connection with his appointment to lead the Industrial Process business, which is headquartered in Seneca Falls, NY. No tax reimbursements were paid on this allowance.
- Mr. Savi started an assignment in China during 2015. This assignment places one of ITT's senior leaders in China, which is a country with significant potential growth for ITT. In connection with his assignment and pursuant to the ITT International Assignment policy, ITT provides allowances for the costs that Mr. Savi and his family incur in excess of their costs had they remained in Italy. The total amount includes: costs for his children to attend school in China ($119,243), housing costs in China ($57,937), cost of shipping household items from Italy to China ($40,762) and other assignment-related costs including immigration fees, transportation costs in China, cost of living differential between Italy and China and temporary housing and meals.

(4) Under the ITT International Assignment policy, employees on assignment to another country maintain the tax treatment they would have received if they remained in their home country. Any incremental home or host country taxes associated with the assignment are paid by the Company. ITT paid $153,893 for taxes and associated gross-ups for Mr. Savi in connection with his assignment from Italy to China. In addition, Mr. Savi is a U.S. Green Card holder and has a U.S. tax liability and corresponding tax gross-up of $124,404 that was paid by the Company.

(5) Amounts include taxable group term-life insurance premiums attributable to each NEO, except Mr. Savi. Mr. Savi's insurance benefits include taxable amounts for medical, business trip, life and disability.

(6) Amounts represent the total employer contributions under the ITT Retirement Savings Plan and the ITT Corporation Supplemental Retirement Savings Plan. 2015 contributions to the ITT Retirement Savings Plan are: $26,500 for Ms. Ramos, $18,550 for Mr. Scalera, $18,550 for Mr. Chicles and $15,900 for Ms. Creamer. Contributions to the ITT Corporation Supplemental Retirement Savings Plan are discussed in the 2015 Nonqualified Deferred Compensation table.

(7) The amount for Mr. Savi is the employer contribution to the Italian statutory termination indemnity fund that would be paid upon termination from the Company.

Grants of Plan-Based Awards in 2015

The following table provides information about 2015 equity and non-equity awards for the NEOs. The table includes the grant date for equity-based awards, the estimated future payouts under non-equity incentive plan awards (which consist of potential payouts under the 2015 AIP) and estimated future payouts under 2015 equity incentive plan awards, which consist of potential payouts related to the performance unit award granted in 2015 for the 2015-2017 performance period. Also provided is the number of shares underlying all other stock and option awards, which are composed of RSU and non-qualified stock option awards. The table also provides the exercise price of the non-qualified stock option awards, reflecting the closing price of the Company's common stock on the grant date and the grant date fair value of each equity award computed under FASB ASC Topic 718. The compensation plans under which the grants in the following table were made are described in the Compensation Discussion and Analysis and include the AIP, performance unit awards, RSU awards, and non-qualified stock options awards.

Name	Action Date	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]			Estimated Future Payouts Under Equity Incentive Plan Awards[2]			All Other Stock Awards: Number of Shares of Stock or Units[3] (#)	All Other Option Awards: Number of Securities Underlying Options[4] (#)	Exercise or Base Price of Option Awards[5] ($)	Grant Date Fair Value: Equity Incentive Plan Awards[6]
			Threshold	Target	Maximum	Threshold (#)	Target (#)	Maximum (#)				
Denise L. Ramos	2/25/2015	2/25/2015	$500,000	$1,000,000	$2,000,000							
	2/25/2015	2/25/2015				26,485	52,970	105,940				$2,272,413
	2/25/2015	2/25/2015							25,595			$1,062,704
	2/25/2015	2/25/2015								92,720	$41.52	$1,062,571
Thomas M. Scalera	2/25/2015	2/25/2015	$178,125	$356,250	$712,500							
	2/25/2015	2/25/2015				4,988	9,975	19,950				$427,928
	2/25/2015	2/25/2015							9,640			$400,253
	2/25/2015	2/25/2015								17,455	$41.52	$200,034
Aris C. Chicles	2/25/2015	2/25/2015	$164,438	$328,875	$657,750							
	2/25/2015	2/25/2015				4,675	9,350	18,700				$401,115
	2/25/2015	2/25/2015							4,520			$187,670
	2/25/2015	2/25/2015								16,365	$41.52	$187,543
Luca Savi	2/25/2015	2/25/2015	$150,072	$300,144	$600,288							
	2/25/2015	2/25/2015				2,028	4,055	8,110				$173,960
	2/25/2015	2/25/2015							11,595			$481,424
	2/25/2015	2/25/2015								7,095	$41.52	$81,309
Victoria Creamer	2/25/2015	2/25/2015	$105,000	$210,000	$420,000							
	2/25/2015	2/25/2015				2,183	4,365	8,730				$187,259
	2/25/2015	2/25/2015							4,610			$191,407
	2/25/2015	2/25/2015								7,640	$41.52	$87,554

(1) Amounts reflect the threshold, target and maximum payment levels, respectively, if an award payout is achieved under the Company's AIP. These potential payments are based on achievement of specific performance metrics and

are completely at risk. The AIP target award is computed based upon the applicable range of net estimated payments denominated in dollars where the target award is equal to 100% of the award potential, the threshold is equal to 50% of target and the maximum is equal to 200% of target. Zero payment is possible for performance below the threshold. Mr. Savi is employed by ITT Italia s.r.l. and his amounts have been converted from Euro (€) to U.S. dollars using a 2015 average exchange rate of 1.11.

(2) Amounts reflect the threshold, target and maximum unit levels, respectively, if an award payout is achieved under the Company's performance unit awards. These potential unit amounts are based on achievement of specific performance metrics and are completely at risk. The performance unit award is computed based upon the applicable range of net estimated payments denominated in units where the target award is equal to 100% of the award potential, the threshold is equal to 50% of target and the maximum is equal to 200% of target.

(3) Amounts reflect the number of RSU awards granted in 2015 to the NEOs.

(4) Amounts reflect the number of non-qualified stock options granted in 2015 to the NEOs.

(5) The stock option exercise price for non-qualified stock options granted in 2015 was the closing price of our common stock on the date the non-qualified stock options were granted.

(6) Amounts in this column represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for performance unit awards, RSU awards, and non-qualified stock option awards granted to the NEOs in 2015. A discussion of assumptions relating to stock option awards may be found in Note 16 to the Consolidated Financial Statements in the Company's 2015 Form 10-K.

Outstanding Equity Awards at 2015 Fiscal Year End

		Option Awards					Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable[(1)] (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested[(2)] (#)	Market Value of Shares or Units of Stock That Have Not Vested[(3)] ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested[(2)] (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested[(3)] ($)
Denise L. Ramos	3/3/2011	89,643	—	—	$ 21.53	3/3/2021	—	$ —	—	$ —
	11/7/2011	302,594	—	—	20.28	11/7/2021	—	—	—	—
	3/8/2012	136,100	—	—	22.80	3/8/2022	—	—	—	—
	3/5/2013	—	105,295	—	26.76	3/5/2023	26,205	951,766	27,436	996,476
	3/4/2014	—	74,470	—	43.52	3/4/2024	20,110	730,395	20,735	753,095
	2/25/2015	—	92,720	—	41.52	2/25/2025	25,595	929,610	26,485	961,935
Thomas M. Scalera	3/5/2010	7,019	—	—	19.97	3/5/2020	—	—	—	—
	3/3/2011	9,310	—	—	21.53	3/3/2021	—	—	—	—
	11/7/2011	49,928	—	—	20.28	11/7/2021	—	—	—	—
	3/8/2012	29,115	—	—	22.80	3/8/2022	—	—	—	—
	3/5/2013	—	22,975	—	26.76	3/5/2023	5,717	207,641	5,986	217,411
	3/4/2014	—	13,830	—	43.52	3/4/2024	3,735	135,655	3,853	139,941
	2/25/2015	—	17,455	—	41.52	2/25/2025	9,640	350,125	4,987	181,128
Aris C. Chicles	3/5/2010	24,163	—	—	19.97	3/5/2020	—	—	—	—
	3/3/2011	32,217	—	—	21.53	3/3/2021	—	—	—	—
	11/7/2011	90,778	—	—	20.28	11/7/2021	—	—	—	—
	3/8/2012	30,570	—	—	22.80	3/8/2022	—	—	—	—
	3/5/2013	—	23,650	—	26.76	3/5/2023	15,228	553,081	6,162	223,804
	3/4/2014	—	13,830	—	43.52	3/4/2024	3,735	135,655	3,853	139,941
	2/25/2015	—	16,365	—	41.52	2/25/2025	4,520	164,166	4,675	169,796
Luca Savi	3/8/2012	13,295	—	—	22.80	3/8/2022	—	—	—	—
	3/5/2013	—	10,290	—	26.76	3/5/2023	3,531	128,246	2,680	97,338
	3/4/2014	—	6,385	—	43.52	3/4/2024	4,225	153,452	1,778	64,577
	2/25/2015	—	7,095	—	41.52	2/25/2025	11,595	421,130	2,027	73,621
Victoria Creamer	2/25/2015	—	7,640	—	41.52	2/25/2025	4,610	167,435	2,182	79,250

(1) Vesting schedule for unvested stock options outstanding at 2015 fiscal year-end (stock options vest on the applicable anniversary of the grant date):

Name	Grant Date	Expiration Date	Future Vesting Schedule (# of options) 2016	2017	2018
Denise L. Ramos	3/5/2013	3/5/2023	105,295	—	—

	3/4/2014	3/4/2024	—	74,470	—
	2/25/2015	2/25/2025	—	—	92,720
Thomas M. Scalera	3/5/2013	3/5/2023	22,975	—	—
	3/4/2014	3/4/2024	—	13,830	—
	2/25/2015	2/25/2025	—	—	17,455
Aris C. Chicles	3/5/2013	3/5/2023	23,650	—	—
	3/4/2014	3/4/2024	—	13,830	—
	2/25/2015	2/25/2025	—	—	16,365
Luca Savi	3/5/2013	3/5/2023	10,290	—	—
	3/4/2014	3/4/2024	—	6,385	—
	2/25/2015	2/25/2025	—	—	7,095
Victoria Creamer	2/25/2015	2/25/2025	—	—	7,640

(2) RSUs vest on the third anniversary of the grant date. Performance units vest upon the completion of a three year performance period beginning January 1 of the grant year and are shown at threshold payout. The 2013 performance unit award will be settled in March 2016 at 165% of target.

(3) Reflects the Company's closing stock price of $36.32 on December 31, 2015.

Option Exercises and Stock Vested in 2015

The following table provides information regarding the values realized by our NEOs upon the exercise of stock options and the vesting of stock awards in 2015.

Named Executive Officer	Option Awards # of Shares Acquired on Exercise	Option Awards Value Realized on Exercise	Stock Awards # of Shares Acquired on Vesting	Stock Awards Value Realized on Vesting
Denise L. Ramos	71,590	$1,521,130	41,009	$1,683,419
Thomas M. Scalera	8,868	252,515	8,772	360,090
Aris C. Chicles	—	—	9,211	378,111
Luca Savi(1)	—	—	—	—
Victoria Creamer	—	—	—	—

(1) Mr. Savi's 2012 RSU award of 4,006 shares which vested in 2015 was settled in cash rather than shares.

2015 Pension Benefits

Effective on October 31, 2011, all of the Company's pension benefits described in this section were frozen, and the cumulative liability of these benefits was assumed by Exelis Inc. Ms. Ramos, Mr. Scalera and Mr. Chicles participated in the plans described below, and remain eligible for frozen pension benefits under the ITT Salaried Retirement Plan.

ITT Salaried Retirement Plan. Under the ITT Salaried Retirement Plan, participants had the option, on an annual basis, to elect to be covered under either a Traditional Pension Plan or a Pension Equity Plan formula for future pension accruals. The ITT Salaried Retirement Plan was a funded and tax-qualified retirement program. The plan is described in detail below.

While the Traditional Pension Plan formula paid benefits on a monthly basis after retirement, the Pension Equity Plan formula enabled participants to elect to have benefits paid as a single sum payment upon employment termination, regardless of the participant's age. The Traditional Pension Plan benefit payable to an employee depended upon the date an employee first became a participant under the plan.

Traditional Pension Plan

A participant first employed prior to January 1, 2000, under the Traditional Pension Plan would receive an annual pension that would be the total of:

- 2% of his or her "average final compensation" (as defined below) for each of the first 25 years of benefit service, plus
- 1.5% of his or her average final compensation for each of the next 15 years of benefit service, reduced by
- 1.25% of his or her primary Social Security benefit for each year of benefit service up to a maximum of 40 years.

A participant first employed on or after January 1, 2000, under the Traditional Pension Plan would receive an annual pension that would equal:

- 1.5% of his or her average final compensation for each year of benefit service up to 40 years, reduced by
- 1.25% of his or her primary Social Security benefit for each year of benefit service up to a maximum of 40 years.

For a participant first employed prior to January 1, 2005, average final compensation (including salary and approved bonus or AIP awards) is the total of:

- The participant's average annual base salary for the five calendar years of the last 120 consecutive calendar months of eligibility service that would result in the highest average annual base salary amount, plus
- The participant's average annual pension eligible compensation, not including base salary, for the five calendar years of the participant's last 120 consecutive calendar months of eligibility service that would result in the highest average annual compensation amount.

For a participant first employed on or after January 1, 2005, average final compensation is the average of the participant's total pension eligible compensation (salary, bonus and annual incentive payments for NEOs and other exempt salaried employees) over the highest five consecutive calendar years of the participant's final 120 months of eligibility service.

As it applies to participants first employed prior to January 1, 2000, under the Traditional Pension Plan, Standard Early Retirement is available to employees at least 55 years of age with 10 years of eligibility service. Special Early Retirement is available to employees at least age 55 with 15 years of eligibility service or at least age 50 whose age plus total eligibility service equals at least 80. For Standard Early Retirement, if payments begin before age 65, payments from anticipated payments at the normal retirement age of 65 (the "Normal Retirement Age") are reduced by one-fourth of one percent for each month that payments commence prior to the Normal Retirement Age. For Special Early Retirement, if payments begin between ages 60-64, benefits will be payable at 100%. If payments begin prior to age 60, they are reduced by five-twelfths of one percent for each month that payments start before age 60 but not more than 25%. For participants first employed from January 1, 2000 through December 31, 2004, under the Traditional Pension Plan, Standard Early Retirement was available as described above. Special Early Retirement was also available to employees who attained at least age 55 with 15 years of eligibility service (but not earlier than age 55). For Special Early Retirement, the benefit payable at or after age 62 would be at 100%; if payments commenced prior to age 62 they would be reduced by five-twelfths of one percent for each of the first 48 months prior to age 62 and by an additional four twelfths of one percent for each of the next 12 months and by an additional three-twelfths of one percent for each month prior to age 57.

For participants first employed on or after January 1, 2005, and who retire before age 65, benefits may commence at or after age 55 but they would be reduced by five ninths of one percent for each of the first 60 months prior to age 65 and an additional five eighteenths of one percent for each month prior to age 60.

Pension Equity Plan

A participant under the Pension Equity Plan would receive a single sum pension that would equal the total accumulated percentage (as described below) times final average compensation (as defined above).

Total accumulated percentage is the sum of annual percentages earned for each year of benefit service. The percentage earned for any given year of benefit service ranges from three percent to six percent based on age:

- Under age 30: 3% per year of benefit service
- Age 30 to age 39: 4% per year of benefit service
- Age 40 to age 49: 5% per year of benefit service
- Age 50 and over: 6% per year of benefit service

In December 2007, effective January 1, 2008, the ITT Salaried Retirement Plan and the ITT Excess Pension Plan were amended to provide for a three-year vesting requirement. In addition, for employees who were already vested and who were involuntarily terminated and entitled to severance payments from the Company, additional months of age and service (not to exceed 24 months) were to be imputed based on the employee's actual service to his or her last day worked, solely for purposes of determining eligibility for early retirement.

The 2015 Pension Benefits table provides information on the pension benefits for the NEOs. Ms. Ramos, Mr. Scalera and Mr. Chicles participated under the terms of the plan in effect for employees hired after January 1, 2005. The Traditional Pension Plan accumulated benefit an employee earned over his or her career with the Company is payable on a monthly basis starting after retirement. Employees may retire as early as age 50 under the terms of the plan. Pensions may be reduced if retirement starts before age 65. Possible pension reductions are described above. The Pension Equity Plan benefit can be received as a lump sum or an annuity following termination. Mr. Scalera participated in the Pension Equity Plan formula prior to 2011. Ms. Ramos and Mr. Chicles have always participated only under the Traditional Pension Plan formula. Benefits under this plan are subject to the limitations imposed under Sections 415 and 401(a)(17) of the Internal Revenue Code in effect as of December 31, 2011. Section 415 limits the amount of annual pension payable from a qualified plan. For 2015, this limit is $210,000 per year for a single-life annuity payable at an IRS-prescribed retirement age. This ceiling may be actuarially adjusted in accordance with IRS rules for items such as employee contributions, other forms of distribution and different annuity starting dates. Section 401(a)(17) limits the amount of compensation that may be recognized in the determination of a benefit under a qualified plan. For 2015, this limit is $265,000.

ITT Excess Pension Plan. Since federal law limits the amount of benefits paid under and the amount of compensation recognized under tax-qualified retirement plans, the Company maintained the unfunded ITT Excess Pension Plan, which is not qualified for tax purposes, until the date of the Spin Transaction. The purpose of the ITT Excess Pension Plan was to restore benefits calculated under the ITT Salaried Retirement Plan formula that cannot be paid because of the IRS limitations noted above. The Company did not grant any extra years of benefit service to any employee under either the ITT Salaried Retirement Plan or the ITT Excess Pension Plan.

On June 1, 2015, participants in the ITT Excess Pension Plan received a payout of their pension benefits. The termination of the pension plan was a result of the Harris Corporation acquisition of Exelis. The payments to NEOs are shown in the table below.

2015 Pension Benefits Table

Named Executive Officer	Plan Name	Number of Years Credit Service (#)	Present Value of Accumulated Benefit at Earliest Date for Unreduced Benefit	Payments During Last Fiscal Year
Denise L. Ramos	ITT Salaried Retirement Plan	4.33	$154,572	$—
	ITT Excess Pension Plan	4.33	—	895,566
Thomas M. Scalera(1)	ITT Salaried Retirement Plan	5.77	43,729	—
	ITT Excess Pension Plan	5.77	—	44,521
Aris C. Chicles	ITT Salaried Retirement Plan	5.42	146,963	—
	ITT Excess Pension Plan	5.42	—	387,494
Luca Savi(2)	ITT Salaried Retirement Plan	—	—	—
	ITT Excess Pension Plan	—	—	—
Victoria Creamer(2)	ITT Salaried Retirement Plan	—	—	—
	ITT Excess Pension Plan	—	—	—

(1) Mr. Scalera has an accrued benefit under both the Traditional Pension Plan formula and the Pension Equity Plan formula. His lump sum Pension Equity Plan benefit is $49,739 under the ITT Salaried Retirement Plan as of December 31, 2015.

(2) Ms. Creamer was hired after October 31, 2011, the date on which the plans were frozen. Mr. Savi receives separate retirement benefits associated with status as an Italian citizen.

Assumptions used to determine present value as of December 31, 2015, are as follows and are generally consistent with those used by Exelis Inc. for 2015 financial statement reporting purposes:

- Measurement date: December 31, 2015
- Discount Rate: 4.3%
- Mortality (pre-commencement): None
- Mortality (post-commencement): RP-2014 Annuitant Mortality Table, separate rates for males and females
- Normal retirement date: age 65
- Unreduced retirement date: age 65 for all other NEOs
- Assumed benefit commencement date: 65 for all other NEOs
- Accumulated benefit is calculated based on credited service and pay as of October 31, 2011
- For benefits under the Traditional Pension Plan formula, present value is based on the single life annuity payable at assumed benefit commencement date.
- For benefits under the Pension Equity Plan formula, present value is based on projected lump sum value at assumed benefit commencement date; Pension Equity Plan value is projected from December 31, 2015, to age 65 using an interest crediting rate of 1.55% for the ITT Salaried Retirement Plan.
- All results shown are estimates only; actual benefits will be based on precise credited service and compensation history, which will be determined at benefit commencement date.

2015 Nonqualified Deferred Compensation

ITT Deferred Compensation Plan. The ITT Deferred Compensation Plan is a tax deferral plan. The ITT Deferred Compensation Plan permits eligible employees with a base salary of at least $200,000 to defer between 2% and 90% of their AIP payment. The AIP amount deferred is included in the Summary Compensation Table under Non-Equity Incentive Plan Compensation. Withdrawals under the plan are available on payment dates elected by participants at the time of the deferral election. The withdrawal election is irrevocable except in cases of demonstrated hardship due to an unforeseeable emergency as provided by the ITT Deferred Compensation Plan. Amounts deferred will be unsecured general obligations of the Company to pay the deferred compensation in the future and will rank with other unsecured and unsubordinated indebtedness of the Company.

Participants can elect to have their account balances allocated into one or more of the 21 phantom investment funds (including a phantom Company stock fund) and can change their investment allocations on a daily basis. All plan accounts are maintained on the accounts of the Company and investment earnings are credited to a participant's account (and charged to corporate earnings) to mirror the investment returns achieved by the investment funds chosen by that participant.

A participant can establish up to six "accounts" into which AIP award deferrals are credited and he or she can elect a different form of payment and a different payment commencement date for each "account." One account may be selected based on a termination date (the "Termination Account") and five accounts are based on employee-specified dates (each a "Special Purpose Account"). Each Special Purpose and Termination Account may have different investment and payment options. Termination Accounts will be paid in the seventh month following the last day worked. Changes to Special Purpose Account distribution elections must be made at least 12 months before any existing benefit payment date, may not take effect for at least 12 months, and must postpone the existing benefit payment date by at least five years. Additionally, Termination Account distribution elections are irrevocable.

The table below shows the annual rate of return for the funds available under the ITT Deferred Compensation Plan, as reported by the administrator for the calendar year ended December 31, 2015.

Name of Fund	Rate of Return 1/1/15 to 12/31/15	Name of Fund	Rate of Return 1/1/15 to 12/31/15
Fixed Rate Option(1)	4.00%	American Funds EuroPacific Growth (REREX)	(0.82)%
PIMCO Total Return Institutional (PTTRX)	0.72%	First Eagle Overseas A (SGOVX)	2.27%
PIMCO Real Return Institutional (PRRIX)	(2.83)%	Lazard Emerging Markets Equity Open (LZOEX)	(20.33)%
T Rowe Price High Yield (PRHYX)	(3.26)%	Invesco Global Real Estate A	(1.61)%
Dodge & Cox Stock (DODGX)	(4.49)%	Model Portfolio(2) - Conservative	(0.15)%
Vanguard 500 Index (VFINX)	1.25%	Model Portfolio(2) - Moderate Conservative	(0.93)%
American Funds Growth Fund of America R4 (RGAEX)	5.34%	Model Portfolio(2) - Moderate	(1.23)%
Artisan Mid Cap (ARTMX)	2.17%	Model Portfolio(2) - Moderate Aggressive	(1.58)%
American Century Small Cap Value (ASVIX)	(2.67)%	Model Portfolio(2) - Aggressive	(1.71)%
Harbor International (HIINX)	(4.16)%	ITT Corporation Stock Fund (ITT)	(9.13)%
Vanguard Total Bond Market Index (VBMFX)	0.30%		

(1) The Fixed Rate Option rate is based on guaranteed contractual returns from the insurance company provider.

(2) The returns shown in the model portfolio are not subsidized by the Company, but represent returns for a managed portfolio based on funds available to deferred compensation participants.

ITT Corporation Supplemental Retirement Savings Plan. Since federal law limits the amount of compensation that can be used to determine employee and employer contribution amounts to the tax-qualified plan to $265,000 in 2015, the Company has established and maintains a non-qualified unfunded ITT Corporation Supplemental Retirement Savings Plan to allow for Company contributions based on base salary and actual annual bonus paid in excess of these limits. All balances under this plan are maintained on the books of the Company and earnings are credited to the accumulated savings under the plan based on the earnings in the Stable Value Fund in the tax-qualified plan. Benefits will be paid in a lump sum in the seventh month following the last day worked. Effective January 1, 2012, the plan was amended to no longer permit employee contributions.

2015 Nonqualified Deferred Compensation Table

The table below shows the Nonqualified Deferred Compensation activity for the NEOs for 2015.

Name	Executive Contributions Last Fiscal Year(1)	Registrant Contributions Last Fiscal Year(2)	Aggregate Earnings Last Fiscal Year(3)	Aggregate Withdrawals/Distributions	Aggregate Balance at Last Fiscal Year End
Denise L. Ramos					
Non-qualified savings	$—	$188,931	$9,237	$ —	$642,258
Deferred Compensation	—	—	139,318	—	3,650,552
Total	—	188,931	148,555	—	4,292,810
Thomas M. Scalera					
Non-qualified savings	—	43,442	1,801	—	139,045
Deferred Compensation	—	—	—	—	—
Total	—	43,442	1,801	—	139,045
Aris C. Chicles					
Non-qualified savings	—	36,456	3,022	—	241,197
Deferred Compensation	—	—	—	—	—
Total	—	36,456	3,022	—	241,197
Luca Savi					
Non-qualified savings	—	—	—	—	—
Deferred Compensation	—	—	—	—	—
Total	—	—	—	—	—
Victoria Creamer					
Non-qualified savings	—	17,519	3	—	17,522
Deferred Compensation	—	—	—	—	—
Total	—	17,519	3	—	17,522

Note: "Non-qualified savings" represent amounts in the ITT Corporation Supplemental Retirement Savings Plan. "Deferred Compensation" earnings under the ITT Deferred Compensation Plan are calculated by reference to actual earnings of the investment funds as provided in the table above.

(1) None of the NEOs elected to defer their 2015 annual bonus that was paid in March 2016.

(2) Amounts represent the core, match and applicable transition employer contributions into the ITT Corporation Supplemental Retirement Savings Plan (Non-qualified savings) and the ITT Deferred Compensation Plan (Deferred Compensation).

(3) As noted in the Summary Compensation Table, the fixed rate investment option in the ITT Deferred Compensation Plan was set at 4.0% for 2015. The rate exceeded the Applicable Federal Long-term Rate of 3.29% by 0.71 percentage points and Ms. Ramos received $24,729 as a result of the earnings in excess of the AFR. The rate of 4.0% is based on a guaranteed contractual return from the insurance company provider.

Potential Post-Employment Compensation

The potential post-employment compensation tables reflect the amount of compensation payable to each of the NEOs in the event their employment is terminated, including voluntary termination, termination for cause, death or disability, termination without cause or termination in connection with a change of control. Ms. Ramos, Mr. Scalera, Mr. Chicles and Ms. Creamer are covered under the Senior Executive Severance Pay Plan or Senior Executive Change in Control Severance Pay Plan (applicable to situations involving a change of control) described in the Compensation Discussion and Analysis under the heading "Post-Employment Compensation—Change of Control Arrangements."

The amounts shown in the potential post-employment compensation tables are estimates, assuming that the triggering event was effective as of December 31, 2015, including amounts that would be earned through such date (or that would be earned during a period of severance), and where applicable, are based on the closing price of the Company's stock on December 31, 2015, the last trading day of 2015, which was $36.32.

The actual amounts to be paid out can only be determined at the time of such executive's separation from the Company.

Payments and Benefits Provided Generally to Salaried Employees. The amounts shown in the tables in this section do not include payments and benefits to the extent these payments and benefits are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include:

- Accrued salary and vacation pay.
- Regular pension benefits under the ITT Salaried Retirement Plan (frozen as of the date of the Spin Transaction and transferred to Exelis Inc.). ITT participants do not accrue any additional service credit under the plan in the event of a termination. See the section "Elements of Compensation—Post-Employment Compensation" in the Compensation Discussion and Analysis for more information.
- Health care benefits provided to retirees under the ITT Salaried Retirement Plan, including retiree medical and dental insurance (if eligible as of the date of the Spin Transaction). Employees who terminate prior to retirement are eligible for continued benefits under COBRA.
- Distributions of plan balances under the ITT Retirement Savings Plan and amounts currently vested under the ITT Corporation Supplemental Retirement Savings Plan.

No perquisites are available to any NEOs in any of the post-employment compensation circumstances. With respect to the ITT Salaried Retirement Plan, frozen benefits under such plan may be deferred to age 65, but may become payable at early retirement age, or earlier for benefits under the Pension Equity Plan formula. Employees of the Company do not have to terminate employment in order to receive their benefits from the ITT Salaried Retirement Plan since the plan is now sponsored by Exelis Inc.

Senior Executive Severance Pay Plan. The Senior Executive Severance Pay Plan provides overall cash severance benefits to executives, provides participants with outplacement assistance for one year and does not allow for the vesting of equity awards during the severance period. The amount of severance pay under this plan depends on the executive's base pay and years of service and the amount will not exceed 12 months of base pay. The Company considers these severance pay provisions appropriate transitional provisions given the job responsibilities and competitive market in which senior executives function.

No severance is provided for termination for cause, because the Company believes employees terminated for cause should not receive additional compensation.

In addition, the Company's obligation to continue severance payments stops if the executive does not comply with the Company's Code of Corporate Conduct. We consider this cessation provision to be critical to the Company's emphasis on ethical behavior. The Company's obligation to continue severance payments also stops if the executive does not comply with non-competition provisions of the Senior Executive Severance Pay Plan. These provisions protect the integrity of our businesses and are consistent with typical commercial arrangements. Mr. Scalera, Mr. Chicles and Ms. Creamer are covered under this plan.

If a covered executive receives or is entitled to receive other compensation from another company, the amount of that other compensation could be used to offset amounts otherwise payable under the Senior Executive Severance Pay Plan. During the severance payment period, the executive will have a limited right to continue to be eligible for participation in certain benefit plans. Severance pay will start within 60 days following the covered executive's scheduled termination date.

Ms. Ramos. Under the terms of Ms. Ramos' employment agreement, should Ms. Ramos be terminated by the Company other than for cause, Ms. Ramos is entitled to a severance benefit in an amount equal to two times the sum of her then-current base salary and target annual incentive. The information under the heading "CEO Compensation and Employment Agreement" and the Potential Post-Employment Compensation table for Ms. Ramos below provides additional information.

Senior Executive Change in Control Severance Pay Plan. This plan provides two levels of benefits for covered executives, based on their position within the Company. The Compensation and Personnel Committee considered two levels of benefits appropriate based on the relative ability of each level of employee to influence future Company performance. Executive Vice Presidents and Senior Vice Presidents receive the higher level and certain Vice Presidents the second level. Under the Senior Executive Change in Control Severance Pay Plan, if a covered executive is terminated within two years of a change in control or in contemplation of a change in control event that ultimately occurs or if the covered executive terminates his or her employment for good reason within two years of a change in control, he or she would be entitled to:

- Any accrued but unpaid base salary, bonus (AIP award), unreimbursed expenses and employee benefits, including vacation;
- Two or three times the current base salary and target annual incentive as of the termination date;
- A lump sum payment equal to two or three times the highest annual base salary rate during the three years preceding termination or an acceleration event times the highest percentage rate of the Company's contributions to the ITT Retirement Savings Plan and the ITT Corporation Supplemental Retirement Savings Plan, such percentage rate not to exceed 7% per year; and
- One year of outplacement assistance.

All of the NEOs are covered at the highest level of benefits. In 2014, the Company made certain changes to the plan in order to further clarify eligibility and coverage under the plan and to conform certain practices across all of the Company's severance plans.

Change in Control Arrangements

The payment or vesting of awards or benefits under certain of the plans listed below are accelerated solely upon the occurrence of a change in control of the Company. The reasons for the change in control provisions in these plans are to put the executive in the same position he or she would have been in had the change in control not occurred. Executives then can focus on preserving value for shareholders when evaluating situations that, without change in control provisions, could be personally adverse to the executive.

The following Company plans have change in control provisions:

- 2011 Plan
- 2003 Equity Incentive Plan
- ITT Annual Incentive Plan for Executive Officers
- Senior Executive Change in Control Severance Pay Plan
- ITT Corporation Change in Control Severance Pay Plan
- Deferred Compensation Plan
- ITT Corporation Supplemental Retirement Savings Plan
- Ramos Employment Agreement

The 2011 Plan, 2003 Equity Incentive Plan, ITT Annual Incentive Plan for Executive Officers, Senior Executive Change in Control Severance Pay Plan and ITT Corporation Change in Control Severance Pay Plan consider a change in control to have occurred if one of the following acceleration events occurs:

1. A report on Schedule 13D was filed with the SEC disclosing that any person, other than the Company or one of its subsidiaries or any employee benefit plan that is sponsored by the Company or a subsidiary, had become the beneficial owner of 20% or more of the Company's outstanding stock.
2. A person other than the Company or one of its subsidiaries or any employee benefit plan that is sponsored by the Company or a subsidiary purchased the Company's shares in connection with a tender or exchange offer, if after consummation of the offer the person purchasing the shares is the beneficial owner of 20% or more of the Company's outstanding stock.
3. The shareholders of the Company approved, and the Company fully executed:

(a) Any consolidation, business combination or merger of the Company other than a consolidation, business combination or merger in which the shareholders of the Company immediately prior to the merger would hold 50% or more of the combined voting power of the Company or the surviving corporation of the merger and would have the same proportionate ownership of common stock of the surviving corporation that they held in the Company immediately prior to the merger; or

(b) Any sale, lease, exchange or other transfer of all or substantially all of the assets of the Company.

4. A majority of the members of the Board of Directors of the Company changed within a 12-month period, unless the election or nomination for election of each of the new Directors by the Company's shareholders had been approved by two-thirds of the Directors still in office who had been Directors at the beginning of the 12-month period or whose nomination for election or election was recommended or approved by a majority of Directors who were Directors at the beginning of the 12-month period.
5. Any person other than the Company or one of its subsidiaries or any employee benefit plan sponsored by the Company or a subsidiary became the beneficial owner of 20% or more of the Company's outstanding stock.

The ITT Corporation Supplemental Retirement Savings Plan and Deferred Compensation Plan consider a change in control to have occurred if one of the following acceleration events occurs:

1. A majority of the members of the Board of Directors of the Company changed within a 12-month period, unless the election or nomination for election of each of the new Directors by the Company's shareholders had been approved by two-thirds of the Directors still in office who had been Directors at the beginning of the 12-month period or whose nomination for election or election was recommended or approved by a majority of Directors who were Directors at the beginning of the 12-month period.
2. Any one person, or more than one person acting as a group (as defined in Treasury Regs. 1.409A-2(i)(5)(v)(B)), acquires ownership of shares that, together with shares held by such person or group constitutes more than 50% of the total fair market value or total voting power of the shares of the Corporation.
3. Either (i) a person, or more than one person acting as a group (as defined in Treasury Regs. 1.409A-2(i)(5)(v)(B)), acquires ownership of shares possessing 30% or more of the total voting power of the shares of the Corporation, taking into account all such shares acquired during the 12-month period ending on the date of the most recent acquisition, or (ii) a majority of the members of the Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of such Board of Directors prior to the date of the appointment or election, but only if no other corporation is a majority shareholder.
4. A change in the ownership of a substantial portion of assets occurs on the date on which any one person, or more than one person acting as a group (as defined in Treasury Regs. 1.409A-2(i)(5)(v)(B)), other than a person or group of persons that is related to the Corporation, acquires assets that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Corporation immediately prior to such acquisition or acquisitions, taking into account all such assets acquired during the 12-month period ending on the date of the most recent acquisition.

Beginning with the Company's annual grant cycle in March 2014, all long-term incentive awards (performance units, RSUs and stock options) have included a "double trigger" provision, whereby no benefits will be paid to an executive unless (i) a change in control of the Company has occurred and (ii) there has been a specified change in the employment status of the executive within a period of time following the change in control. For example, if a covered executive is terminated without cause within two years of a change in control or terminates his or her employment for good reason within two years of a change in control, or is terminated before the change in control occurs, but after its announcement or at the request of a participant, he or she would be entitled to the severance benefits provided pursuant to that plan, rather than being entitled to severance benefits solely due to the occurrence of a change in control. This change reflects a best pay practice and provides competitive benefits in the event that an executive's employment is terminated due to a change in control of the Company. The Senior Executive Change in Control Severance Plan and ITT Corporation Change in Control Severance Pay Plan also have double trigger provisions.

Potential post-employment compensation arrangements are more fully described for the NEOs in the following tables. As noted above, these tables assume a triggering event as of December 31, 2015. Please see the discussion in "Potential Post-Employment Compensation—Senior Executive Severance Pay Plan," regarding changes made in severance arrangements, which will affect the severance entitlements of the Named Executive Officers in the future.

Denise L. Ramos

	Resignation	Termination For Cause	Death	Disability	Termination Not For Cause	Termination Not For Cause or With Good Reason After Change of Control
Cash Severance(1)						
Salary	$—	$—	$—	$—	$2,000,000	$3,000,000
AIP	—	—	—	—	2,000,000	3,000,000
Total	—	—	—	—	4,000,000	6,000,000
Unvested Equity Award(2)						
3/5/2013 Option Award	—	—	1,006,620	1,006,620	1,006,620	1,006,620
3/5/2013 Restricted Stock	—	—	951,766	951,766	951,766	951,766
3/4/2014 Option Award	—	—	—	—	—	—
3/4/2014 Restricted Stock	—	—	730,395	730,395	426,064	730,395
2/25/2015 Option Award	—	—	—	—	—	—
2/25/2015 Restricted Stock	—	—	929,610	929,610	258,225	929,610
2014-2016 Performance Unit Award	—	—	1,506,190	1,506,190	1,004,127	2,485,214
2015-2017 Performance Unit Award	—	—	1,923,870	1,923,870	641,290	3,174,386
Total	—	—	7,048,451	7,048,451	4,288,092	9,277,991
Non-Qualified Retirement Benefits						
ITT Excess Savings Plan(3)	—	—	—	—	—	210,000
Total	—	—	—	—	—	210,000
Other Benefits						
Outplacement(4)	—	—	—	—	5,000	5,000
Health and Welfare(5)	—	—	—	—	31,756	48,821
Total	—	—	—	—	36,756	53,821
Total(6)	$—	$—	$7,048,451	$7,048,451	$8,324,848	$15,541,812

Thomas M. Scalera

	Resignation	Termination For Cause	Death	Disability	Termination Not For Cause	Termination Not For Cause or With Good Reason After Change of Control
Cash Severance[1]						
Salary	$—	$—	$—	$—	$475,000	$1,425,000
AIP	—	—	—	—	—	1,068,750
Total	—	—	—	—	475,000	2,493,750
Unvested Equity Award[2]						
3/5/2013 Option Award	—	—	219,641	219,641	219,641	219,641
3/5/2013 Restricted Stock	—	—	207,641	207,641	207,641	207,641
3/4/2014 Option Award	—	—	—	—	—	—
3/4/2014 Restricted Stock	—	—	135,655	135,655	79,132	135,655
2/25/2015 Option Award	—	—	—	—	—	—
2/25/2015 Restricted Stock	—	—	350,125	350,125	97,257	350,125
2014-2016 Performance Unit Award	—	—	279,846	279,846	186,564	461,745
2015-2017 Performance Unit Award	—	—	362,292	362,292	120,764	597,782
Total	—	—	1,555,200	1,555,200	910,999	1,972,589
Non-Qualified Retirement Benefits						
ITT Excess Savings Plan[3]	—	—	—	—	—	99,750
Total	—	—	—	—	—	99,750
Other Benefits						
Outplacement[4]	—	—	—	—	5,000	5,000
Health and Welfare[5]	—	—	—	—	7,482	7,482
Total	—	—	—	—	12,482	12,482
Total[6]	$—	$—	$1,555,200	$1,555,200	$1,398,481	$4,578,571

Aris C. Chicles

	Resignation	Termination For Cause	Death	Disability	Termination Not For Cause	Termination Not For Cause or With Good Reason After Change of Control
Cash Severance[1]						
Salary	$—	$—	$—	$—	$438,500	$1,315,500
AIP	—	—	—	—	—	986,625
Total	—	—	—	—	438,500	2,302,125
Unvested Equity Award[2]						
3/5/2013 Option Award	—	—	226,094	226,094	226,094	226,094
3/5/2013 Restricted Stock	—	—	553,081	553,081	553,081	553,081
3/4/2014 Option Award	—	—	—	—	—	—
3/4/2014 Restricted Stock	—	—	135,655	135,655	79,132	135,655
2/25/2015 Option Award	—	—	—	—	—	—
2/25/2015 Restricted Stock	—	—	164,166	164,166	45,602	164,166
2014-2016 Performance Unit Award	—	—	279,846	279,846	186,564	461,745
2015-2017 Performance Unit Award	—	—	339,592	339,592	113,197	560,327
Total	—	—	1,698,434	1,698,434	1,203,670	2,101,068
Non-Qualified Retirement Benefits						
ITT Excess Savings Plan[3]	—	—	—	—	—	92,085
Total	—	—	—	—	—	92,085
Other Benefits						
Outplacement[4]	—	—	—	—	5,000	5,000
Health and Welfare[5]	—	—	—	—	6,798	6,798
Total	—	—	—	—	11,798	11,798
Total[6]	$—	$—	$1,698,434	$1,698,434	$1,653,968	$4,507,076

Luca Savi

	Resignation	Termination For Cause	Death	Disability	Termination Not For Cause	Termination Not For Cause or With Good Reason After Change of Control
Cash Severance(1)						
Salary	$—	$—	$—	$—	$461,760	$1,385,280
AIP	—	—	—	—	—	900,432
Total	—	—	—	—	461,760	2,285,712
Unvested Equity Award(2)						
3/5/2013 Option Award	—	—	98,372	98,372	98,372	98,372
3/5/2013 Restricted Stock	—	—	128,246	128,246	128,246	128,246
3/4/2014 Option Award	—	—	—	—	—	—
3/4/2014 Restricted Stock	—	—	153,452	153,452	89,514	153,452
2/25/2015 Option Award	—	—	—	—	—	—
2/25/2015 Restricted Stock	—	—	421,130	421,130	116,981	421,130
2014-2016 Performance Unit Award	—	—	129,118	129,118	86,078	213,044
2015-2017 Performance Unit Award	—	—	147,278	147,278	49,093	243,008
Total	—	—	1,077,596	1,077,596	568,284	1,257,252
Non-Qualified Retirement Benefits						
ITT Excess Savings Plan(3)	—	—	—	—	—	—
Total	—	—	—	—	—	—
Other Benefits						
Outplacement(4)	—	—	—	—	5,000	5,000
Health and Welfare(5)	—	—	—	—	—	—
Total	—	—	—	—	5,000	5,000
Total(6)	$—	$—	$1,077,596	$1,077,596	$1,035,044	$3,547,964

Victoria Creamer

	Resignation	Termination For Cause	Death	Disability	Termination Not For Cause	Termination Not For Cause or With Good Reason After Change of Control
Cash Severance[(1)]						
Salary	$—	$—	$—	$—	$235,577	$1,050,000
AIP	—	—	—	—	—	630,000
Total	—	—	—	—	235,577	1,680,000
Unvested Equity Award[(2)]						
2/25/2015 Option Award	—	—	—	—	—	—
2/25/2015 Restricted Stock	—	—	167,435	167,435	46,510	167,435
2015-2017 Performance Unit Award	—	—	158,537	158,537	52,846	261,586
Total	—	—	325,972	325,972	99,356	429,021
Non-Qualified Retirement Benefits						
ITT Excess Savings Plan[(3)]	—	—	—	—	—	63,000
Total	—	—	—	—	—	63,000
Other Benefits						
Outplacement[(4)]	—	—	—	—	5,000	5,000
Health and Welfare[(5)]	—	—	—	—	6,798	6,798
Total	—	—	—	—	11,798	11,798
Total[(6)]	$—	$—	$325,972	$325,972	$346,731	$2,183,819

(1) Under Ms. Ramos' employment agreement described in the Compensation Discussion and Analysis under the heading "CEO Compensation and Employment Agreements," should Ms. Ramos be terminated other than for cause, Ms. Ramos will be entitled to receive severance pay in an amount equal to two times the sum of (x) annual base salary and (y) target annual incentive. Under the Senior Executive Severance Pay Plan, as described elsewhere in this Proxy Statement under the heading "Potential Post-Retirement Compensation," the other NEOs will receive base salary after termination without cause for the following severance period: Mr. Scalera 12 months, Mr. Chicles 12 months, Mr. Savi 12 months and Ms. Creamer 35 weeks. In the event of a change of control, all NEOs, with the exception of Mr. Savi, are covered under the Company's Senior Executive Change in Control Severance Pay Plan, described elsewhere in this Proxy Statement under the heading "Potential Post-Retirement Compensation" and, under the terms of the plan, would be paid a lump sum payment equal to the sum of three times (x) annual base salary and (y) annual incentive (assumed at target). Mr. Savi's salary and AIP have been converted from Euro to U.S. dollars using the 2015 average monthly exchange rate of 1.11.

(2) Unvested equity awards reflect the market value of stock and in the money value of stock options based on the Company's December 31, 2015 closing stock price of $36.32. Termination provisions are set forth in the specific award agreements. Generally, the termination provisions are as follows (unless otherwise noted):

Performance Unit Awards:

- If an employee is terminated for cause, or voluntarily terminates employment without an acceleration event, performance unit awards are forfeited on the date of termination.
- If an employee dies or becomes disabled, performance unit award vests in full and payment, if any, is made according to its original terms.
- If an employee is terminated by the Company other than for cause, a pro-rated payout, if any, is made according to its original terms and is provided based on the number of full months of employment during the performance period divided by 36.
-

Acceleration Events (as described under the heading "Potential Post-Employment Compensation—Change of Control Arrangements"):

The performance unit awards vest with an acceleration event and, within two years, a qualifying termination of the employee. The payout is based on the greater of: (i) the payout percentage of the most recently completed 3-year performance award and (ii) target performance. For the tables above, a factor of 165% was used to calculate the termination value (the payout of the 2013 performance unit award).

- Retirement:
  - Early Retirement (55 years old and 10 years of service): Performance unit awards are pro-rated and vest based on retirement date and a pro-rated payout, if any, is made according to its original terms.
  - Normal Retirement (65 years old or 62 years old and 10 years of service): Performance unit awards fully vest upon retirement for employees that retire at least 12 months after the beginning of the performance period. The awards will be pro-rated for employees that retire within 12 months of the beginning of the performance period.

RSUs:

- If an employee is terminated for cause, or voluntarily terminates employment without an acceleration event, the RSUs are forfeited on the date of termination.
- If an employee dies or becomes disabled, unvested RSUs vest in full.
- Termination by the Company for other than cause:
  - Prior to 2014 awards, RSUs continue to vest through the severance period; and
  - in 2014 and later awards, vesting does not continue through the severance period.
- Acceleration Events:
  - Prior to 2014 awards, RSUs vested in full upon an acceleration event; and
  - in 2014 and later awards, vesting does not occur until an acceleration event and, within two years, the termination of employment by the Company or by the employee with good reason.
- Retirement:
  - Early Retirement (55 years old and 10 years of service): unvested RSUs are pro-rated and vested based on retirement date.
  - Normal Retirement (65 years old or 62 years old and 10 years of service):
    - prior to 2014 awards, unvested RSUs are pro-rated and vested based on retirement date; and
    - in 2014 and later awards, unvested RSUs fully vest upon retirement for employees that retire at least 12 months after the grant date. The awards will be pro-rated and vest for employees that retire within 12 months of the beginning of the performance period.

Stock Options

- If an employee is terminated for cause, or voluntarily terminates employment without an acceleration event, unvested stock options are forfeited on the date of termination.
- If an employee dies or becomes disabled, all unvested stock options vest in full.
- If an employee is terminated by the Company other than for cause:
  - prior to 2014 awards, unvested options at the time of termination of employment are forfeited (the severance period is included as employment); and
  - in 2014 and later awards, vesting does not continue through the severance period.
- Acceleration Events:
  - prior to 2014 awards, options vested in full upon an acceleration event; and
  - in 2014 and later awards, vesting does not occur until an acceleration event and, within two years, the termination of employment by the Company or by the employee with good reason.
- Retirement:
  - Early Retirement (55 years old and 10 years of service): Unvested options are pro-rated and vested based on retirement date.
  - Normal Retirement (65 years old or 62 years old and 10 years of service):
    - prior to 2014 awards, unvested options are pro-rated and vested based on retirement date; and
    - in 2014 and later awards, stock options fully vest upon retirement for employees that retire at least 12 months after the grant date. The awards will be pro-rated and vest for employees that retire within 12 months of the grant date.

(3) No additional ITT Corporation Supplemental Retirement Savings Plan (formerly known as the Excess Savings Plan) payments are made in the event of voluntary or involuntary termination, or termination for cause. Amount reflects the additional cash payment representing Company contributions, which would be made following a change of control as described in the Senior Executive Change in Control Severance Pay Plan described elsewhere in this Proxy Statement under the heading "Potential Post-Retirement Compensation."

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(4) The Company's Senior Executive Change in Control Severance Pay Plan includes one year of outplacement services. Amounts shown are based on a competitive bid.

(5) Under Ms. Ramos' employment agreement, Ms. Ramos will continue to be eligible to participate in Company benefit plans for a period of two years after termination not for cause. Under the Senior Executive Severance Pay Plan, the other NEOs will continue to receive subsidized healthcare benefits during the severance period for the first six months after termination without cause. In the event of a change of control, Ms. Ramos will continue to be eligible to participate in Company benefit plans for a period of three years as outlined in her employment agreement. The other NEOs are covered under the Company's Senior Executive Change in Control Severance Pay Plan, and will receive subsidized healthcare benefits during the severance period for the first six months after termination without cause.

(6) Values in this table show the full payments per the applicable plan documents under the potential termination scenarios. In the event of a change of control a "best net" provision would apply, which provides either an unreduced benefit or a reduction in payments sufficient to avoid triggering an excise tax, whichever is better after-tax.

Other Matters

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, 2015.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans:			
Approved by Security Holders[1]	3,079,067[2]	$27.10[3]	39,284,157[4]
Not Approved by Security Holders	—	—	—
Total	3,079,067	$27.10	39,284,157

(1) Equity compensation plans approved by shareholders include the 2003 Equity Incentive Plan and the 2011 Plan. Since the approval of the 2011 Plan, no additional awards will be granted under the ITT Amended and Restated 2003 Equity Incentive Plan.

(2) This amount includes 1,747,222 shares of common stock that are issuable upon the exercise of outstanding stock options, 829,804 shares of common stock that are deliverable under restricted stock unit awards and 502,041 shares of common stock that may be issued under outstanding performance unit awards, which includes the 2013 performance unit awards at a 165% payout and the 2014 and 2015 performance unit awards at the target (100%) number of shares that may be issuable under such awards. The weighted-average remaining contractual life of the total number of outstanding options was 6.5 years as disclosed in Note 16 to the Consolidated Financial Statements in the Company's 2015 Annual Report on Form 10-K. The number of shares, if any, to be issued pursuant to outstanding performance units can range from zero to 200% of the units initially awarded based on our achievement, over a three-year period, of the performance goals described in this Proxy Statement.

(3) The weighted-average exercise price pertains only to outstanding options and not to outstanding restricted stock units or performance units, which by their nature have no exercise price.

(4) This amount represents the number of shares available for issuance pursuant to equity awards that may be granted in the future under the 2011 Plan.

Form 10-K

The Company filed its Annual Report on Form 10-K for the 2015 fiscal year with the SEC on February 22, 2016. A copy of the Company's Form 10-K (without exhibits or documents incorporated by reference) is included in the Annual Report to Shareholders that is being delivered or made available via the Internet concurrently with this Proxy Statement to all shareholders.

By Order of the Board of Directors,

Lori B. Marino

Corporate Secretary

Dated: March 28, 2016

Appendix A

List of Companies Utilized from the Towers Watson Compensation Data Bank (CDB) Analysis

2015 Benchmark Group -- Towers Watson CDB

(Industrials, Materials, and Energy Companies with Revenue Between $1.25 and $5.0 Billion)

A.O. Smith
ABM Industries
Allegion
Alliant Techsystems
Americas Styrenics
AMETEK
Armstrong World Industries
Axiall Corporation
Babcock & Wilcox
Boise Cascade
Chemtura
Cintas
Clearwater Paper Corporation
Colfax Corporation
Cubic
Curtiss-Wright
Cytec
Deluxe
Donaldson Company
Energen
Energy Solutions
EnLink Midstream
Equifax
Esterline Technologies
Exelis
Exterran
Fortune Brands Home & Security
GATX
Glatfelter
Granite Construction
H.B. Fuller
Harsco
Herman Miller
Hexcel
HNI
Hubbell
International Flavors & Fragrances
Kennametal
Kinross Gold
Magellan Midstream Partners
Meritor
Nortek
Pall Corporation
Pitney Bowes
PolyOne
Regal-Beloit
Rockwell Collins
Rollins
Rowan Companies
Sensata Technologies
ShawCor
Sigma-Aldrich
Snap-on
Sonoco Products
Spirit Airlines
SPX
Steelcase
Stolt-Nielsen
SunCoke Energy
Toro
Trinity Industries
Tronox
United Launch Alliance
United Rentals
USG Corporation
UTi Worldwide
Vulcan Materials
Westlake Chemical
Worthington Industries
Xylem

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WE ENCOURAGE YOU TO TAKE ADVANTAGE OF INTERNET OR TELEPHON VOTING. BOTH ARE AVAILABLE 24 HOURS A DAY, 7 DAYS A WEEK.

Telephone and Internet voting are available through 11:59 PM Eastern Daylight Time on May 10, 2016. Your telephone or Internet vote authorizes the named proxies to vote the shares in the same manner as if you marked, signed and returned your proxy card. If you vote your proxy by telephone or on the Internet, you do not need to mail back your proxy card.
VOTE BY TELEPHONE - 1-800-690-6903
Use any touch-tone telephone to vote your proxy. Have your proxy card in hand when you call.
VOTE BY INTERNET - www.proxyvote.com
Use the Internet to vote your proxy. Have your proxy card in hand when you access the website.
VOTE BY MAIL
Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to:
Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717
ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS
If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:	E00055-P72194	KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED
ITT CORPORATION

The Board of Directors recommends a vote FOR each of these ten nominees:

Proposal 1: Election of Directors

Nominees:	For	Against	Abstain
1a. Orlando D. Ashford	¨	¨	¨
1b. G. Peter D'Aloia	¨	¨	¨
1c. Geraud Darnis	¨	¨	¨
1d. Donald DeFosset, Jr.	¨	¨	¨
1e. Christina A. Gold	¨	¨	¨
1f. Richard P. Lavin	¨	¨	¨
1g. Frank T. MacInnis	¨	¨	¨
1h. Rebecca A. McDonald	¨	¨	¨
1i. Timothy H. Powers	¨	¨	¨

The Board of Directors recommends a vote FOR Proposals 2, 3 and 4:

	For	Against	Abstain
Proposal 2: Ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm of the Company for the 2016 fiscal year	¨	¨	¨
Proposal 3: Approval of an advisory vote on executive compensation	¨	¨	¨
Proposal 4: Reapproval of performance measures under the ITT Corporation 2011 Omnibus Incentive Plan	¨	¨	¨

The Board of Directors recommends a vote AGAINST Proposal 5:

1j. Denise L. Ramos	¨	¨	¨	Proposal 5: Shareholder proposal regarding a payout policy	¨	¨	¨

For address changes and/or comments, please check this box and write them on the back where indicated: ¨

	Yes	No
Please indicate if you plan to attend this meeting:	¨	¨

(NOTE: Please sign exactly as your name or names appear(s) on this Proxy Card. When signing as attorney, executor, officer, administrator, trustee, custodian or guardian, please indicate full title. If there is more than one named shareholder, all should sign unless evidence or authority to sign on behalf of others is attached.)

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners, if applicable)	Date

ADMISSION TICKET
Annual Meeting of Shareholders
Wednesday, May 11, 2016
9:00 a.m., Eastern Daylight Time
ITT Corporation Headquarters
1133 Westchester Avenue
White Plains, NY 10604
Shareholders will be admitted to the Annual Meeting beginning at 8:30 a.m. Eastern Daylight Time.
If you wish to attend, please plan to arrive early since seating will be limited. For directions, contact us at (914) 641-2000.
If you plan to attend the Annual Meeting, please bring this admission ticket with you.
Note: If you plan to attend the Annual Meeting, please indicate your intention to attend by marking the appropriate box on the attached proxy card. If you plan to attend the Annual Meeting in person, please bring, in addition to this Admission Ticket, a proper form of identification. The use of video, still photography or audio recording at the Annual Meeting is not permitted. For the safety of attendees, all bags, packages and briefcases are subject to inspection.
This Admission Ticket should not be returned with your proxy but should be retained and brought with you to the Annual Meeting.
SEC Proxy Access Notice
Important Notice Regarding the Internet Availability of Proxy Materials for the Annual Meeting of Shareholders to be held at 9:00 a.m., Eastern Daylight Time on Wednesday, May 11, 2016 at ITT Corporation Headquarters, 1133 Westchester Avenue, White Plains, NY 10604:
The proxy materials for ITT's 2016 Annual Meeting of Shareholders, including the 2015 Annual Report and the 2016 Notice and Proxy Statement are available on the Internet. To view these proxy materials, please visit www.proxyvote.com.

PROXY SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF ITT CORPORATION
FOR THE ANNUAL MEETING TO BE HELD MAY 11, 2016

The shareholder(s) whose signature(s) appear(s) on the reverse side of this proxy form hereby appoint(s) Thomas M. Scalera and Mary E. Gustafsson, or either of them, each with full power of substitution as proxies, to vote all shares of ITT Corporation common stock that the shareholder(s) would be entitled to vote on all matters that may properly come before the Annual Meeting and at any adjournments or postponements. The proxies are authorized to vote in accordance with the specifications indicated by the shareholder(s) on the reverse side of this form. If this form is signed and returned by the shareholder(s), and no specifications are indicated, the proxies are authorized to vote as recommended by the Board of Directors. In either case, if this form is signed and returned, the proxies thereby will be authorized to vote in their discretion on any other matters that may be presented for a vote at the Annual Meeting and at adjournments or postponements.

For participants in the ITT Retirement Savings Plan:
Under the savings plan, 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 allocated shares for which no direction is received and unallocated shares, if any (together, "Undirected Shares"). ITT Retirement Savings Plan participants should mail their confidential voting instruction card to Broadridge Financial Solutions, Inc., acting as tabulation agent, or vote by telephone or Internet. Instructions must be received by Broadridge before 11:59 p.m. Eastern Daylight Time on May 8, 2016. The trustee of the savings plan will vote Undirected Shares in the same proportion as the shares for which directions are received, except as otherwise provided in accordance with

ERISA. By submitting voting instructions by telephone, Internet, or by signing and returning this proxy form, you direct the trustee of the savings plan to vote these shares, in person or by proxy, as designated herein, at the Annual Meeting.

The Trustee will exercise its discretion in voting on any other matter that may be presented for a vote at the Annual Meeting and at adjournments or postponements.

Address Changes /
Comments:

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)
(Continued and to be dated and signed on the reverse side.)