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## **FORM 10-K**

**DANAHER CORP /DE/ - DHR**

**Filed: February 21, 2019 (period: December 31, 2018)**

Annual report with a comprehensive overview of the company

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from      to

**Commission File Number: 1-8089**

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**DANAHER CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)  
  
**2200 Pennsylvania Ave. N.W., Suite 800W**  
**Washington, D.C.**  
(Address of Principal Executive Offices)

**59-1995548**  
(I.R.S. Employer  
Identification Number)

**20037-1701**  
(Zip Code)

**Registrant's telephone number, including area code: 202-828-0850**

**Securities Registered Pursuant to Section 12(b) of the Act:**

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock \$.01 par value	New York Stock Exchange
€600,000,000 1.000% Senior Notes due 2019	New York Stock Exchange
€250,000,000 Floating Rate Senior Notes due 2022	New York Stock Exchange
€800,000,000 1.700% Senior Notes due 2022	New York Stock Exchange
€800,000,000 2.500% Senior Notes due 2025	New York Stock Exchange
€600,000,000 1.200% Senior Notes due 2027	New York Stock Exchange

**Securities registered pursuant to Section 12(g) of the Act:**

**NONE**

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes  No

As of February 7, 2019, the number of shares of Registrant's common stock outstanding was 701,875,340. The aggregate market value of common stock held by non-affiliates of the Registrant on June 29, 2018 was \$61.0 billion, based upon the closing price of the Registrant's common stock as quoted on the New York Stock Exchange on such date.

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#### DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's proxy statement for its 2019 annual meeting of shareholders to be filed pursuant to Regulation 14A within 120 days after Registrant's fiscal year-end. With the exception of the sections of the 2019 Proxy Statement specifically incorporated herein by reference, the 2019 Proxy Statement is not deemed to be filed as part of this Form 10-K.

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## INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Annual Report, in other documents we file with or furnish to the Securities and Exchange Commission (“SEC”), in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are “forward-looking statements” within the meaning of the U.S. federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: projections of revenue, expenses, profit, profit margins, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other projected financial measures; management’s plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; new or modified laws, regulations and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that Danaher intends or believes will or may occur in the future. Terminology such as “believe,” “anticipate,” “should,” “could,” “intend,” “will,” “plan,” “expect,” “estimate,” “project,” “target,” “may,” “possible,” “potential,” “forecast” and “positioned” and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including but not limited to the risks and uncertainties set forth under “Item 1A. Risk Factors” in this Annual Report.

Forward-looking statements are not guarantees of future performance and actual results may differ materially from the results, developments and business decisions contemplated by our forward-looking statements. Accordingly, you should not place undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date of the report, document, press release, webcast, call, materials or other communication in which they are made. Except to the extent required by applicable law, we do not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

In this Annual Report, the terms “Danaher” or the “Company” refer to Danaher Corporation, Danaher Corporation and its consolidated subsidiaries or the consolidated subsidiaries of Danaher Corporation, as the context requires. Unless otherwise indicated, all financial data in this Annual Report refer to continuing operations only.

## PART I

### ITEM 1. BUSINESS

#### General

Danaher Corporation designs, manufactures and markets professional, medical, industrial and commercial products and services, which are typically characterized by strong brand names, innovative technology and major market positions. We are committed to innovating and developing forward-looking technologies that solve our customers’ most complex challenges. Danaher’s research and development, manufacturing, sales, distribution, service and administrative facilities are located in more than 60 countries. Our business consists of four segments: Life Sciences; Diagnostics; Dental; and Environmental & Applied Solutions. Danaher strives to create shareholder value primarily through three strategic priorities:

- enhancing its portfolio in attractive science and technology markets through strategic capital allocation;
- strengthening its competitive advantage through consistent application of the DANAHER BUSINESS SYSTEM (“DBS”) tools; and
- consistently attracting and retaining exceptional talent.

Danaher measures its progress against these strategic priorities over the long-term based primarily on financial metrics relating to revenue growth, profitability, cash flow and capital returns.

The Company’s businesses use a set of growth, lean and leadership tools and processes, known as the DANAHER BUSINESS SYSTEM, which are designed to continuously improve business performance in the critical areas of quality, delivery, cost, growth and innovation. Within the DBS framework, the Company pursues a number of ongoing strategic initiatives relating to

customer insight generation, product development and commercialization, global sourcing of materials and services, manufacturing improvement and sales and marketing impact.

To further these objectives, the Company also acquires businesses that either strategically fit within its existing business portfolio or expand its portfolio into a new and attractive business area. For example, the Company's acquisition of Integrated DNA Technologies, or "IDT", in 2018 provides additional sales and earnings growth opportunities for the Company's Life Sciences segment by expanding the segment's product line diversity, including new product and service offerings in the area of genomics consumables and through the potential future acquisition of complementary businesses. Given the rapid pace of technological development and the specialized expertise typical of Danaher's served markets, acquisitions, strategic alliances and investments provide the Company access to important new technologies and domain expertise. Danaher believes there are many acquisition and investment opportunities available within its targeted markets. The extent to which Danaher consummates and effectively integrates appropriate acquisitions will affect its overall growth and operating results. Danaher also continually assesses the strategic fit of its existing businesses and may dispose of businesses that are deemed not to fit with its strategic plan or are not achieving the desired return on investment.

Danaher Corporation, originally DMG, Inc., was organized in 1969 as a Massachusetts real estate investment trust. In 1978 it was reorganized as a Florida corporation under the name Diversified Mortgage Investors, Inc. which in a second reorganization in 1980 became a subsidiary of a newly created holding company named DMG, Inc. DMG, Inc. adopted the name Danaher in 1984 and was reincorporated as a Delaware corporation in 1986.

We have announced our intention to spin-off Danaher's Dental business into an independent, publicly-traded company (the "Dental Separation"). The Dental business had sales for the year ended December 31, 2018 of approximately \$2.8 billion. The transaction is expected to be tax-free to the Company's shareholders. The Company is targeting to complete the Dental Separation in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the Internal Revenue Service ("IRS") and receipt of other regulatory approvals.

Sales in 2018 by geographic destination (geographic destination refers to the geographic area where the final sale to the Company's unaffiliated customer is made) were: North America, 39% (including 37% in the United States); Western Europe, 24%; other developed markets, 6% and high-growth markets, 31%. The Company defines high-growth markets as developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure which include Eastern Europe, the Middle East, Africa, Latin America and Asia (with the exception of Japan and Australia). The Company defines developed markets as all markets of the world that are not high-growth markets.

## LIFE SCIENCES

The Company's Life Sciences segment offers a broad range of research tools that scientists use to study the basic building blocks of life, including genes, proteins, metabolites and cells, in order to understand the causes of disease, identify new therapies and test new drugs and vaccines. The segment is also a leading provider of filtration, separation and purification technologies to the biopharmaceutical, food and beverage, medical, aerospace, microelectronics and general industrial sectors. Sales in 2018 for this segment by geographic destination were: North America, 35%; Western Europe, 29%; other developed markets, 9% and high-growth markets, 27%.

Danaher established the life sciences business in 2005 through the acquisition of Leica Microsystems and has expanded the business through numerous subsequent acquisitions, including the acquisitions of AB Sciex and Molecular Devices in 2010, Beckman Coulter in 2011, Pall in 2015, Phenomenex in 2016 and IDT in 2018. The Life Sciences segment consists of the following businesses:

*Filtration*—The filtration, separation and purification technologies business (from the Company's acquisition of Pall in 2015) is a leading provider of products used to remove solid, liquid and gaseous contaminants from a variety of liquids and gases, primarily through the sale of filtration consumables and to a lesser extent systems that incorporate filtration consumables and associated hardware. Pall's core materials and technologies can be applied in many ways to solve complex fluid separation challenges, and are sold across a wide array of applications in two primary business groups:

- **Life Sciences.** The Company's life sciences technologies facilitate the process of drug discovery, development, regulatory validation and production and are sold to biopharmaceutical, food and beverage and medical customers. In the biopharmaceutical area, the business sells a broad line of filtration and purification technologies, single use bioreactors and associated accessories, hardware and engineered systems primarily to pharmaceutical and biopharmaceutical companies for use in the development and commercialization of chemically synthesized and biologically derived drugs, plasma and vaccines. Biotechnology drugs, plasma and biologically derived vaccines in particular are filtration and purification intensive and represent a significant opportunity for growth for Pall in the

biopharmaceutical area. The business also serves the filtration needs of the food and beverage markets, helping customers ensure the quality and safety of their products while lowering operating costs and minimizing waste. In the medical area, hospitals use the Company's breathing circuit and intravenous filters and water filters to help control the spread of infections.

- **Industrial.** Virtually all of the raw materials, process fluids and waste streams that flow through industry are candidates for multiple stages of filtration, separation and purification. In addition, most of the machines used in complex production processes require filtration to protect sensitive parts from degradation due to contamination. Pall's industrial technologies enhance the quality and efficiency of manufacturing processes and prolong equipment life in applications such as semiconductor equipment, airplanes, oil refineries, power generation turbines, petrochemical plants, municipal water plants and mobile mining equipment. Within these end-markets, demand is driven by end-users and original equipment manufacturers ("OEM") seeking to improve product performance, increase production and efficiency, reduce operating costs, extend the life of their equipment, conserve water and meet environmental regulations.

*Mass Spectrometry*—The mass spectrometry business is a leading global provider of high-end mass spectrometers as well as related consumable chromatography columns and sample preparation extraction products. Mass spectrometry is a technique for identifying, analyzing and quantifying elements, chemical compounds and biological molecules, individually or in complex mixtures. The mass spectrometers utilize various combinations of quadrupole, time-of-flight and ion trap technologies. The business' mass spectrometer systems and related products are used in numerous applications such as drug discovery and clinical development of therapeutics as well as in basic research, clinical testing, food and beverage quality testing and environmental testing. The business' global services network provides implementation, validation, training and maintenance to support customer installations around the world. Typical users of these mass spectrometry and related products include molecular biologists, bioanalytical chemists, toxicologists and forensic scientists as well as quality assurance and quality control technicians. The business also provides high-performance bioanalytical measurement systems, including microplate readers, automated cellular screening products and associated reagents and imaging software. Typical users of these products include biologists and chemists engaged in research and drug discovery, who use these products to determine electrical or chemical activity in cell samples.

*Cellular Analysis, Lab Automation and Centrifugation*—The business offers workflow instruments and consumables that help researchers analyze genomic, protein and cellular information. Key product areas include sample preparation equipment such as centrifugation and capillary electrophoresis instrumentation and consumables; liquid handling automation instruments and associated consumables; flow cytometry instrumentation and associated antibodies and reagents; and particle characterization instrumentation. Researchers use these products to study biological function in the pursuit of basic research, as well as therapeutic and diagnostic development. Typical users include pharmaceutical and biotechnology companies, universities, medical schools and research institutions and in some cases industrial manufacturers.

*Microscopy*—The microscopy business is a leading global provider of professional microscopes designed to capture, manipulate and preserve images and enhance the user's visualization and analysis of microscopic structures. The Company's microscopy products include laser scanning (confocal) microscopes, compound microscopes and related equipment, surgical and other stereo microscopes and specimen preparation products for electron microscopy. Typical users of these products include research, medical and surgical professionals operating in research and pathology laboratories, academic settings and surgical theaters.

*Genomics Consumables*—The genomics consumables business is a leading provider of custom nucleic acid products for the life sciences industry, primarily through the manufacture of custom DNA and RNA oligonucleotides and gene fragments utilizing a proprietary manufacturing ecosystem. The business has developed proprietary technologies for genomics applications such as next generation sequencing, CRISPR genome editing, qPCR, and RNA interference. The business also manufactures products used in diagnostic tests for many forms of cancer, as well as inherited and infectious diseases. Typical users of these products include professionals in the areas of academic and commercial research, agriculture, medical diagnostics, and pharmaceutical development.

Customers served by the Life Sciences segment select products based on a number of factors, including product quality and reliability, the product's capacity to enhance productivity, innovation (particularly productivity and sensitivity improvements), product performance and ergonomics, access to a service and support network and the other factors described under "—Competition." The life sciences business generally markets its products under the BECKMAN COULTER, IDT, LEICA MICROSYSTEMS, MOLECULAR DEVICES, PALL, PHENOMENEX and SCIEX brands. Manufacturing facilities are located in North America, Europe, Asia and Australia. The business sells to customers through direct sales personnel and independent distributors.

## DIAGNOSTICS

The Company's Diagnostics segment offers analytical instruments, reagents, consumables, software and services that hospitals, physicians' offices, reference laboratories and other critical care settings use to diagnose disease and make treatment decisions. Sales in 2018 for this segment by geographic destination were: North America, 38%; Western Europe, 19%; other developed markets, 6% and high-growth markets, 37%.

Danaher established the diagnostics business in 2004 through the acquisition of Radiometer and expanded the business through numerous subsequent acquisitions, including the acquisitions of Vision Systems in 2006, Genetix in 2009, Beckman Coulter in 2011, Iris International and Aperio Technologies in 2012, HemoCue in 2013, Devicor Medical Products in 2014, the clinical microbiology business of Siemens Healthcare Diagnostics in 2015 and Cepheid in 2016. The diagnostics business consists of the following businesses:

*Clinical Lab Diagnostics*—The clinical lab business is a leading manufacturer and marketer of biomedical testing instruments, systems and related consumables that are used to evaluate and analyze samples made up of body fluids, cells and other substances. The information generated is used to diagnose disease, monitor and guide treatment and therapy, assist in managing chronic disease and assess patient status in hospital, outpatient and physicians' office settings. The business offers the following products:

- chemistry systems use electrochemical detection and chemical reactions with patient samples to detect and quantify substances of diagnostic interest in blood, urine and other body fluids. Commonly performed tests include glucose, cholesterol, triglycerides, electrolytes, proteins and enzymes, as well as tests to detect urinary tract infections and kidney and bladder disease.
- immunoassay systems also detect and quantify biochemicals of diagnostic interest (such as proteins and hormones) in body fluids, particularly in circumstances where more specialized diagnosis is required. Commonly performed immunoassay tests assess thyroid function, screen and monitor for cancer and cardiac risk and provide important information in fertility and reproductive testing.
- hematology products are used for cellular analysis. The business' hematology systems use principles of physics, optics, electronics and chemistry to separate cells of diagnostic interest and then quantify and characterize them, allowing clinicians to study formed elements in blood (such as red and white blood cells and platelets).
- microbiology systems are used for the identification of bacteria and antibiotic susceptibility testing (ID/AST) from human clinical samples, to detect and quantify bacteria related to microbial infections in urine, blood, and other body fluids, and to detect infections such as urinary tract infections, pneumonia and wound infections. The business' technology enables direct testing of clinical isolates to ensure reliable detection of resistance to antibiotics.
- automation systems reduce manual operation and associated cost and errors from the pre-analytical through post-analytical stages including sample barcoding/information tracking, centrifugation, aliquotting, storage and conveyance. These systems along with the analyzers described above are controlled through laboratory level software that enables laboratory managers to monitor samples, results and lab efficiency.
- molecular diagnostics products, which are derived from Danaher's acquisition of Cepheid in 2016, including biomedical testing instruments, systems and related consumables that enable DNA-based testing for organisms and genetic-based diseases in both clinical and non-clinical markets. These products integrate and automate the complicated and time-intensive steps associated with DNA-based testing (including sample preparation and DNA amplification and detection) to allow the testing to be performed in both laboratory and non-laboratory environments with minimal training and infrastructure. These products also include systems which commonly test for health care-associated infections, respiratory disease, sexual health and virology.

Typical users of the segment's clinical lab products include hospitals, physician's offices, veterinary laboratories, reference laboratories and pharmaceutical clinical trial laboratories.

*Critical Care Diagnostics*—The critical care diagnostics business is a leading worldwide provider of instruments, software and related consumables and services that are used in both laboratory and point-of-care environments to rapidly measure critical parameters, including blood gases, electrolytes, metabolites and cardiac markers, as well as for anemia and high-sensitivity glucose testing. Typical users of these products include hospital central laboratories, intensive care units, hospital operating rooms, hospital emergency rooms, physician's office laboratories and blood banks.

*Anatomical Pathology Diagnostics*—The anatomical pathology diagnostics business is a leader in the anatomical pathology industry, offering a comprehensive suite of instrumentation and related consumables used across the entire workflow of a



pathology laboratory. The anatomical pathology diagnostics products include chemical and immuno-staining instruments, reagents, antibodies and consumables; tissue embedding, processing and slicing (microtomes) instruments and related reagents and consumables; slide coverslipping and slide/cassette marking instruments; imaging instrumentation including slide scanners, microscopes, cameras; software solutions to store, share and analyze pathology images digitally and minimally invasive, vacuum-assisted breast biopsy collection instruments. Typical users of these products include pathologists, lab managers and researchers.

Customers in the diagnostics industry select products based on a number of factors, including product quality and reliability, the scope of tests that can be performed, the accuracy and speed of the product, the product's ability to enhance productivity, ease of use, total cost of ownership and access to a highly qualified service and support network as well as the other factors described under "—Competition." The diagnostics business generally markets its products under the APERIO, BECKMAN COULTER, CEPHEID, HEMOCUE, IRIS, LEICA BIOSYSTEMS, MAMMATOME, RADIOMETER and SURGIPATH brands. Manufacturing facilities are located in North America, Europe, Asia and Australia. The business sells to customers primarily through direct sales personnel and, to a lesser extent, through independent distributors.

## DENTAL

The Company's Dental segment offers products and services that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. With leading brand names, innovative technology and significant market positions, the Company is a leading worldwide provider of a broad range of dental consumables, equipment and services, and is dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity. Sales in 2018 for this segment by geographic destination were: North America, 48%; Western Europe, 23%; other developed markets, 6% and high-growth markets, 23%.

As noted above, we have announced our intention to spin-off Danaher's Dental business into an independent, publicly-traded company. The Company is targeting to complete the Dental Separation in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the IRS and receipt of other regulatory approvals.

Danaher entered the dental business in 2004 through the acquisitions of KaVo and Gendex and has enhanced its geographic coverage and product and service breadth through subsequent acquisitions, including the acquisition of Sybron Dental Specialties in 2006, PaloDEx Group Oy in 2009, Nobel Biocare Holding AG ("Nobel Biocare") in 2014 and Implant Direct, as to which Danaher acquired a controlling interest in 2010 and acquired the remaining noncontrolling interest in 2017. Today, the dental businesses develop, manufacture and market the following dental consumables and dental equipment:

- implant systems, dental prosthetics and associated treatment planning software;
- orthodontic bracket systems, aligners and lab products;
- endodontic systems and related consumables;
- restorative materials and instruments including rotary burs, impression materials, bonding agents and cements;
- infection prevention products;
- digital imaging systems and software and other visualization and magnification systems;
- air and electric powered handpieces and associated consumables; and
- treatment units and other dental practice equipment.

Typical customers and users of these products include general dentists, dental specialists, dental hygienists, dental laboratories and other oral health professionals, as well as educational, medical and governmental entities. These professionals choose dental products based on a number of factors including product performance, innovation, the product's capacity to enhance productivity and the other factors described under "—Competition." The dental products are marketed primarily under the ABT, DEXIS, iCAT, IMPLANT DIRECT, KAVO, KERR, METREX, NOBEL BIOCARE, NOBEL PROCERA, ORASCOPTIC, ORMCO, PELTON & CRANE, PENTRON, SYBRON ENDO and TOTAL CARE brands. Manufacturing facilities are located in North America, Europe, Middle East, Latin America, Asia and Australia. Sales are primarily made through independent distributors, and to a lesser extent through direct sales personnel.

## ENVIRONMENTAL & APPLIED SOLUTIONS

The Company's Environmental & Applied Solutions segment offers products and services that help protect important resources and keep global food and water supplies safe. Sales in 2018 for this segment by geographic destination were: North America, 41%; Western Europe, 24%; other developed markets, 3% and high-growth markets, 32%. The Company's Environmental & Applied Solutions segment consists of the following lines of business.

*Water Quality*—The Company's water quality business provides instrumentation, services and disinfection systems to help analyze, treat and manage the quality of ultra-pure, potable, industrial, waste, ground, source and ocean water in residential, commercial, municipal, industrial and natural resource applications. Danaher entered the water quality sector in the late 1990's through the acquisitions of Dr. Lange and Hach Company, and has enhanced the geographic coverage and capabilities of its products and services through subsequent acquisitions, including the acquisition of Trojan Technologies Inc. in 2004 and ChemTreat, Inc. in 2007. The water quality business designs, manufactures and markets:

- a wide range of analytical instruments, software and related consumables and services that detect and measure chemical, physical and microbiological parameters in ultra-pure, potable, industrial, waste, ground, source and ocean water;
- ultraviolet disinfection systems, consumables and services, which disinfect billions of gallons of municipal, industrial and consumer water every day; and
- industrial water treatment solutions, including chemical treatment solutions intended to address corrosion, scaling and biological growth problems in boiler, cooling water and industrial wastewater applications as well as associated analytical services.

Typical users of these products and services include professionals in municipal drinking water and wastewater treatment plants and industrial process water and wastewater treatment facilities, third-party testing laboratories and environmental operations. Customers in these industries choose suppliers based on a number of factors including the customer's existing supplier relationships, application expertise, product performance and ease of use, the comprehensiveness of the supplier's solutions offering, after-sales service and support and the other factors described under "—Competition." The water quality business provides products under a variety of brands, including AGUASIN, AQUAFINE, CHEMTREAT, HACH, LIPESA, MCCROMETER, OTT HYDROMET, PALL WATER, SEABIRD, TROJAN AND VIQUA. Manufacturing facilities are primarily located in North America, Europe and Asia. Sales are made through the business' direct sales personnel, e-commerce, independent representatives and independent distributors.

*Product Identification*—The Company's product identification business provides equipment, software, services and consumables for various color and appearance management, packaging design and quality management, packaging converting, printing, marking, coding and traceability applications for consumer, pharmaceutical and industrial products. Danaher entered the product identification market through the acquisition of Videojet in 2002, and has expanded the product and geographic coverage through various subsequent acquisitions, including the acquisitions of Willett International Limited in 2003, Linx Printing Technologies PLC in 2005, EskoArtwork in 2011, X-Rite in 2012, Laetus in 2015, Advanced Vision Technology Limited ("AVT") in 2017 and Blue Software in 2018. The product identification businesses innovate, design, manufacture, and market the following products and services:

- the business provides innovative color and appearance solutions through standards, software, measurement devices and related services. The business' expertise in inspiring, virtualizing, selecting, specifying, formulating and measuring color and appearance helps users improve the quality and relevance of their products and reduces costs.
- the business is a leading global provider of software for online collaboration, three-dimensional virtualization, workflow automation, quality approvals and prepress processes to manage structural design, artwork creation, color and product information for branded packaging and marketing materials. Its packaging solutions help consumer goods manufacturers improve their business processes, shorten time to market and reduce costs across internal departments and external suppliers.
- the business provides flexographic computer-to-plate imaging equipment, solutions for print process control, press control, quality assurance and digital finishing systems for the packaging, labels and commercial print industries. Its automation, print process and press control solutions help packaging manufacturers reduce lead time and satisfy their customers' demands for smaller, more frequent print jobs.
- the business provides a variety of equipment and solutions used to give products unique identities by printing date, lot and bar codes and other information on primary and secondary packaging, applying high-quality alphanumeric codes, logos and graphics to a wide range of surfaces at a variety of production line speeds, angles and locations on a product

or package. Its vision inspection and track-and-trace solutions also help pharmaceutical and consumer goods manufacturers safeguard the authenticity of their products through supply chains.

Typical users of these products include manufacturers of consumer goods, pharmaceuticals, paints, plastics and textiles, retailers, graphic design firms and packaging printers and converters. Customers in these industries choose suppliers based on a number of factors, including domain experience, speed and accuracy, ease of connection to the internet and other software systems, equipment uptime and reliable operation without interruption, ease of maintenance, service coverage and the other factors described under “—Competition.” The product identification products are primarily marketed under the AVT, BLUE, ESKO, LAETUS, LINX, MEDIABEACON, PANTONE, VIDEOJET and X-RITE brands. Manufacturing and software development facilities are located in North America, Europe, Latin America and Asia. Sales are generally made through the business’ direct sales personnel, independent distributors and e-commerce.

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The following discussion includes information common to all of Danaher’s segments.

### **Materials**

The Company’s manufacturing operations employ a wide variety of raw materials, including metallic-based components, electronic components, chemicals, plastics and other petroleum-based products. Prices of oil and gas also affect the Company’s costs for freight and utilities. The Company purchases raw materials from a large number of independent sources around the world. No single supplier is material; although for some components that require particular specifications or regulatory or other qualifications there may be a single supplier or a limited number of suppliers that can readily provide such components. The Company utilizes a number of techniques to address potential disruption in and other risks relating to its supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources. During 2018 the Company had no raw material shortages that had a material effect on the business. For a further discussion of risks related to the materials and components required for the Company’s operations, refer to “Item 1A. Risk Factors.”

### **Intellectual Property**

The Company owns numerous patents, trademarks, copyrights, trade secrets and licenses to intellectual property owned by others. Although in aggregate the Company’s intellectual property is important to its operations, the Company does not consider any single patent, trademark, copyright, trade secret or license (or any related group of any such items) to be of material importance to any segment or to the business as a whole. From time to time the Company engages in litigation to protect its intellectual property rights. For a discussion of risks related to the Company’s intellectual property, refer to “Item 1A. Risk Factors.” All capitalized brands and product names throughout this document are trademarks owned by, or licensed to, Danaher.

### **Competition**

Although the Company’s businesses generally operate in highly competitive markets, the Company’s competitive position cannot be determined accurately in the aggregate or by segment since none of its competitors offer all of the same product and service lines or serve all of the same markets as the Company does. Because of the range of the products and services the Company sells and the variety of markets it serves, the Company encounters a wide variety of competitors, including well-established regional competitors, competitors who are more specialized than it is in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research and financial capabilities. The Company is facing increased competition in a number of its served markets as a result of the entry of new, large companies into certain markets, the entry of competitors based in low-cost manufacturing locations, and increasing consolidation in particular markets. The number of competitors varies by product and service line. Management believes that the Company has a market leadership position in many of the markets it serves. Key competitive factors vary among the Company’s businesses and product and service lines, but include the specific factors noted above with respect to each particular business and typically also include price, quality, delivery speed, service and support, innovation, distribution network, breadth of product, service and software offerings and brand name recognition. For a discussion of risks related to competition, refer to “Item 1A. Risk Factors.”

### **Working Capital**

The Company maintains an adequate level of working capital to support its business needs. There are no unusual industry practices or requirements relating to working capital items. In addition, the Company’s sales and payment terms are generally similar to those of its competitors.

## Backlog

The Company defines backlog as firm orders from customers for products and services where the order will be fulfilled in the next 12 months. Backlog as of December 31, 2018 and 2017 was approximately \$2.9 billion and \$2.7 billion, respectively. The Company expects that a large majority of the backlog as of December 31, 2018 will be delivered to customers within three to four months of such date. Given the relatively short delivery periods and rapid inventory turnover that are characteristic of most of the Company's products and the shortening of product life cycles, the Company believes that backlog is indicative of short-term revenue performance but not necessarily a reliable indicator of medium or long-term revenue performance.

## Employee Relations

As of December 31, 2018, the Company employed approximately 71,000 persons, of whom approximately 24,000 were employed in the United States and approximately 47,000 were employed outside of the United States. Of the United States employees, approximately 400 were hourly-rated, unionized employees. Outside the United States, the Company has government-mandated collective bargaining arrangements and union contracts in certain countries, particularly in Europe where many of the Company's employees are represented by unions and/or works councils. For a discussion of risks related to employee relations, refer to "Item 1A. Risk Factors."

## Research and Development

The Company conducts R&D activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of its existing products and expanding the applications for which uses of its products are appropriate. The Company's R&D efforts include internal initiatives and those that use licensed or acquired technology, and we work with a number of leading research institutions, universities and clinicians around the world to develop, evaluate and clinically test our products. The Company generally conducts R&D activities on a business-by-business basis, primarily in North America, Europe and Asia, although it does conduct certain R&D activities on a centralized basis. The Company anticipates that it will continue to make significant expenditures for R&D as it seeks to provide a continuing flow of innovative products to maintain and improve its competitive position. For a discussion of the risks related to the need to develop and commercialize new products and product enhancements, refer to "Item 1A. Risk Factors."

## Government Contracts

Although the substantial majority of the Company's revenue in 2018 was from customers other than governmental entities, each of Danaher's segments has agreements relating to the sale of products to government entities. As a result, the Company is subject to various statutes and regulations that apply to companies doing business with governments. For a discussion of risks related to government contracting requirements, refer to "Item 1A. Risk Factors." No material portion of Danaher's business is subject to renegotiation of profits or termination of contracts at the election of a government entity.

## Regulatory Matters

The Company faces extensive government regulation both within and outside the United States relating to the development, manufacture, marketing, sale and distribution of its products and services. The following sections describe certain significant regulations that the Company is subject to. These are not the only regulations that the Company's businesses must comply with. For a description of the risks related to the regulations that the Company's businesses are subject to, refer to "Item 1A. Risk Factors."

### Environmental Laws and Regulations

For a discussion of the environmental laws and regulations that the Company's operations, products and services are subject to and other environmental contingencies, refer to Note 17 to the Consolidated Financial Statements included in this Annual Report. For a discussion of risks related to compliance with environmental and health and safety laws and risks related to past or future releases of, or exposures to, hazardous substances, refer to "Item 1A. Risk Factors."

### Medical Device and Other Health Care Regulations

Certain of the products of the Company's subsidiaries are classified as medical devices under the United States Food, Drug, and Cosmetic Act (the "FDCA"). The FDCA requires these products, when sold in the United States, to be safe and effective for their intended use and to comply with the regulations administered by the United States Food and Drug Administration ("FDA"). These medical device products are also regulated by comparable agencies in other countries where such products are sold.

The FDA's regulatory requirements include:

- **Establishment Registration.** The Company's applicable subsidiaries must register with the FDA each facility where regulated products are developed or manufactured. The FDA periodically inspects these facilities.
- **Marketing Authorization.** The Company's applicable subsidiaries must obtain FDA clearance or approval to begin marketing a regulated, non-510(k)-exempted product in the United States. For some products, this clearance is obtained by submitting a 510(k) pre-market notification, which generally provides data on the design and performance of the product to allow the FDA to determine substantial equivalence to a product already in commercial distribution in the United States. Other products must go through a formal pre-market approval process which includes the review of non-clinical laboratory studies, clinical investigations, and information on the design and manufacture of the device as well as the successful completion of a pre-market approval inspection by the FDA.
- **Quality Systems.** The Company's applicable subsidiaries are required to establish a quality management system that includes clearly defined processes and procedures for ensuring regulated products are developed, manufactured and distributed in accordance with applicable regulatory requirements and international standards. These subsidiaries also must establish processes and procedures for investigating and responding to customer complaints regarding the performance of regulated products and are subject to periodic inspection by the FDA for compliance with the quality management system requirements.
- **Labeling.** The labeling for regulated products must contain specified information and in some cases, the FDA reviews and approves the labeling and any quality assurance protocols specified in the labeling. The FDA and other federal, state and non-U.S. regulatory bodies (including the Federal Trade Commission, the Office of the Inspector General of the Department of Health and Human Services, the U.S. Department of Justice and various state Attorneys General) also monitor the manner in which the Company's subsidiaries promote and advertise their products. Although physicians may use their medical judgment to employ medical devices for indications other than those cleared or approved by the FDA, the FDA prohibits manufacturers from promoting products for such "off-label" uses.
- **Imports and Exports.** The FDCA establishes requirements for importing products into and exporting products from the United States. In general, any limitations on importing and exporting products apply only to products that have not received U.S. marketing clearance or approval.
- **Post-market Reporting.** After regulated products have been distributed to customers, the Company's applicable subsidiaries may receive product complaints requiring them to investigate and report to the FDA certain events involving the products. These subsidiaries also must notify the FDA when they conduct recalls (known as field actions) involving their products.

Conformity with applicable regulatory requirements is subject to continual review and is monitored rigorously through periodic inspections by the FDA which may result in observations on Form 483 and in some cases warning letters that require corrective action.

In the European Union ("EU"), the Company is required to comply with applicable Medical Device Directives and affix a CE Mark on medical devices that will be placed on the market within the EU. To obtain a CE mark, medical devices must meet minimum standards of performance, safety and quality (known as the Essential Requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. An organization accredited by an EU Member State to certify whether a product meets the Essential Requirements, also known as a Notified Body, assesses the quality management systems of the device's manufacturer and the device's conformity to the essential and other requirements within the EU Medical Device or In Vitro Diagnostic ("IVD") Directives. These EU Directives are being replaced by new sets of pan-EU regulations, which will reclassify medical device and IVD products and require more of those products to go through a formal Notified Body review of the product's technical files in order to obtain CE marking in the future. Danaher's medical device companies are also subject to quality system audits by Notified Bodies for compliance and certification to the EU standards. The national regulatory agencies of the EU countries (otherwise known as Competent Authorities), generally in the form of their ministries or departments of health, also oversee clinical research for medical devices, can conduct their own compliance audits and are responsible for postmarket surveillance of products once they are placed on the EU market. The Company's applicable subsidiaries are required to report device failures and injuries potentially related to product use to these authorities in a timely manner.

A number of other countries, including but not limited to Australia, Brazil, Canada, China and Japan, have also adopted or are in the process of adopting regulations and standards for medical devices sold in those countries.

In addition to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws, the Company is also subject to various health care related laws regulating fraud and abuse, pricing and sales and marketing practices and the privacy and security of health information, including the United States federal regulations described below. Many states, foreign countries and supranational bodies have also adopted laws and regulations similar to, and in some cases more stringent than, the U.S. federal regulations discussed above and below.

- The Federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made under a federal health care program, such as Medicare or Medicaid.
- The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) prohibits knowingly and willfully (1) executing a scheme to defraud any health care benefit program, including private payors, or (2) falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for health care benefits, items or services. In addition, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, also restricts the use and disclosure of patient-identifiable health information, mandates the adoption of standards relating to the privacy and security of patient-identifiable health information and requires the reporting of certain security breaches with respect to such information.
- The False Claims Act imposes liability on any person or entity that, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment by a federal health care program. The qui tam provisions of the False Claims Act allow a private individual to bring actions on behalf of the federal government alleging that the defendant has submitted a false claim to the federal government, and to share in any monetary recovery.
- The Open Payments Act requires manufacturers of medical devices covered under Medicare and Medicaid to record payments and other transfers of value to physicians and teaching hospitals and to report this data to the Centers for Medicare and Medicaid Services for subsequent public disclosure. Similar reporting requirements have also been enacted on the state level, and an increasing number of countries worldwide either have adopted or are considering similar laws requiring transparency of interactions with health care professionals.

In addition:

- certain products of the Company’s subsidiaries utilize radioactive material, and the Company is subject to federal, state, local and non-U.S. regulations governing the management, storage, handling and disposal of these materials; and
- some of the in vitro diagnostic drugs-of-abuse assays and reagents of the Company’s subsidiaries contain small amounts of controlled substances, and as a result some of the Company’s facilities are inspected periodically by the United States Drug Enforcement Administration to ensure that the Company properly handles, stores, and disposes of controlled substances in the manufacture of those products.

For a discussion of risks related to regulation by the FDA and comparable agencies of other countries, and the other regulatory regimes referenced above, refer to “Item 1A. Risk Factors.”

#### Export/Import Compliance

The Company is required to comply with various U.S. export/import control and economic sanctions laws, including:

- the International Traffic in Arms Regulations administered by the U.S. Department of State, Directorate of Defense Trade Controls, which, among other things, imposes license requirements on the export from the United States of defense articles and defense services listed on the U.S. Munitions List;
- the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, which, among other things, impose licensing requirements on the export, in-country transfer and re-export of certain dual-use goods, technology and software (which are items that have both commercial and military, or proliferation applications);
- the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments and persons based on United States foreign policy and national security considerations; and
- the import regulatory activities of the U.S. Customs and Border Protection and other U.S. government agencies.

Other nations' governments have implemented similar export/import control and economic sanction regulations, which may affect the Company's operations or transactions subject to their jurisdictions. For a discussion of risks related to export/import control and economic sanctions laws, refer to "Item 1A. Risk Factors."

### **International Operations**

The Company's products and services are available worldwide, and its principal markets outside the United States are in Europe and Asia. The Company also has operations around the world, and this geographic diversity allows the Company to draw on the skills of a worldwide workforce, provides greater stability to its operations, allows the Company to drive economies of scale, provides revenue streams that may help offset economic trends that are specific to individual economies and offers the Company an opportunity to access new markets for products. In addition, the Company believes that future growth depends in part on its ability to continue developing products and sales models that successfully target high-growth markets.

The manner in which the Company's products and services are sold outside the United States differs by business and by region. Most of the Company's sales in non-U.S. markets are made by its subsidiaries located outside the United States, though the Company also sells directly from the United States into non-U.S. markets through various representatives and distributors and, in some cases, directly. In countries with low sales volumes, the Company generally sells through representatives and distributors.

Information about the effects of foreign currency fluctuations on the Company's business is set forth in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Annual Report. For a discussion of risks related to the Company's non-U.S. operations and foreign currency exchange, refer to "Item 1A. Risk Factors."

### **Major Customers**

No customer accounted for more than 10% of consolidated sales in 2018, 2017 or 2016.

### **Available Information**

The Company maintains an internet website at [www.danaher.com](http://www.danaher.com). The Company makes available free of charge on the website its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after filing such material with, or furnishing such material to, the SEC. Danaher's internet site and the information contained on or connected to that site are not incorporated by reference into this Form 10-K.

## **ITEM 1A. RISK FACTORS**

*You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. Our business is also subject to general risks and uncertainties that affect many other companies, such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Additional risks and uncertainties not currently known to us or that we currently believe are immaterial also may impair our business, including our results of operations, liquidity and financial condition.*

***We intend to spin-off our Dental business into an independent, publicly-traded company in the second half of 2019. The proposed transaction may not be completed on the currently contemplated timeline or at all and may not achieve the intended benefits.***

We have announced our intention to spin-off Danaher's Dental business into an independent, publicly-traded company in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the IRS and receipt of other regulatory approvals. Unanticipated developments, including possible delays in obtaining various tax rulings, regulatory approvals or clearances and trade qualifications, uncertainty of the financial markets or changes in the Company's cash requirements and challenges in establishing infrastructure or processes, could delay or prevent the proposed separation or cause the proposed separation to occur on terms or conditions that are less favorable and/or different than expected. Even if the transaction is completed, we may not realize some or all of the anticipated benefits from the spin-off. Expenses incurred to accomplish the proposed separation may be significantly higher than what we currently anticipate. Executing the proposed separation also requires significant time and attention from management, which could distract them from other tasks in

operating our business. Following the proposed separation, the combined value of the common stock of the two publicly-traded companies may not be equal to or greater than what the value of our common stock would have been had the proposed separation not occurred.

***Conditions in the global economy, the particular markets we serve and the financial markets may adversely affect our business and financial statements.***

Our business is sensitive to general economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, volatility in the currency and credit markets, high levels of unemployment or underemployment, reduced levels of capital expenditures, changes or anticipation of potential changes in government trade, fiscal, tax and monetary policies, changes in capital requirements for financial institutions, government deficit reduction and budget negotiation dynamics, sequestration, austerity measures and other challenges that affect the global economy may adversely affect the Company and its distributors, customers and suppliers, including having the effect of:

- reducing demand for our products and services (in this Annual Report, references to products and services also includes software), limiting the financing available to our customers and suppliers, increasing order cancellations and resulting in longer sales cycles and slower adoption of new technologies;
- increasing the difficulty in collecting accounts receivable and the risk of excess and obsolete inventories;
- increasing price competition in our served markets;
- supply interruptions, which could disrupt our ability to produce our products;
- increasing the risk of impairment of goodwill and other long-lived assets, and the risk that we may not be able to fully recover the value of other assets such as real estate and tax assets;
- increasing the risk that counterparties to our contractual arrangements will become insolvent or otherwise unable to fulfill their contractual obligations which, in addition to increasing the risks identified above, could result in preference actions against us; and
- adversely impacting market sizes and growth rates.

Although we have been able to access the commercial paper and other capital markets through the date of this report, there can be no assurances that such markets will remain available to us or that the lenders participating in our revolving credit facility will be able to provide financing in accordance with their contractual obligations.

If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets or if improvements in the global economy do not benefit the markets we serve, our business and financial statements could be adversely affected.

***Significant developments or uncertainties stemming from the U.S. administration, including changes in U.S. trade policies, tariffs and the reaction of other countries thereto, could have an adverse effect on our business.***

Changes, potential changes or uncertainties in U.S. social, political, regulatory and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we or our customers operate, or governing the health care system and drug prices could adversely affect our business and financial statements. For example, the U.S. administration has increased tariffs on certain goods imported into the United States, raised the possibility of imposing significant, additional tariff increases and called for substantial changes to trade agreements. These factors have adversely affected, and in the future could further adversely affect, our business and financial statements.

***Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.***

Our growth depends in part on the growth of the markets which we serve, and visibility into our markets is limited (particularly for markets into which we sell through distribution). Our quarterly sales and profits depend substantially on the volume and timing of orders received during the fiscal quarter, which are difficult to forecast. Any decline or lower than expected growth in our served markets could diminish demand for our products and services, which would adversely affect our financial statements. Certain of our businesses operate in industries that may experience periodic, cyclical downturns. In addition, in certain of our businesses demand depends on customers' capital spending budgets as well as government funding policies, and matters of public policy and government budget dynamics as well as product and economic cycles can affect the spending decisions of these entities. Demand for our products and services is also sensitive to changes in customer order patterns, which



may be affected by announced price changes, marketing or promotional programs, new product introductions, the timing of industry trade shows and changes in distributor or customer inventory levels due to distributor or customer management thereof or other factors. Any of these factors could adversely affect our growth and results of operations in any given period.

***We face intense competition and if we are unable to compete effectively, we may experience decreased demand and decreased market share. Even if we compete effectively, we may be required to reduce prices for our products and services.***

Our businesses operate in industries that are intensely competitive and have been subject to increasing consolidation. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors; refer to “Item 1. Business—Competition” for additional details. In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers, continually developing new products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new markets, including high-growth markets. In addition, significant shifts in industry market share have occurred and may in the future occur in connection with product problems, safety alerts and publications about products, reflecting the competitive significance of product quality, product efficacy and quality systems in our industry. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our financial statements, and our expansion into new markets may result in greater-than-expected risks, liabilities and expenses. In addition, the Company is exposed to the risk that its competitors or its customers may introduce private label, generic or low-cost products that compete with the Company’s products at lower price points. If these competitors’ products capture significant market share or result in a decrease in market prices overall, this could have an adverse effect on the Company’s financial statements.

***Our growth depends in part on the timely development and commercialization, and customer acceptance, of new and enhanced products and services based on technological innovation.***

We generally sell our products and services in industries that are characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our competitive position and financial statements will suffer. Our success will depend on several factors, including our ability to:

- correctly identify customer needs and preferences and predict future needs and preferences;
- allocate our R&D funding to products and services with higher growth prospects;
- anticipate and respond to our competitors’ development of new products and services and technological innovations;
- differentiate our offerings from our competitors’ offerings and avoid commoditization;
- innovate and develop new technologies and applications, and acquire or obtain rights to third-party technologies that may have valuable applications in our served markets;
- obtain adequate intellectual property rights with respect to key technologies before our competitors do;
- successfully commercialize new technologies in a timely manner, price them competitively and cost-effectively manufacture and deliver sufficient volumes of new products of appropriate quality on time;
- obtain necessary regulatory approvals of appropriate scope (including with respect to medical device products by demonstrating satisfactory clinical results where applicable, as well as achieving third-party reimbursement); and
- stimulate customer demand for and convince customers to adopt new technologies.

If we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in R&D of products and services that do not lead to significant revenue, which would adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer. In addition, promising new offerings may fail to reach the market or realize only limited commercial success because of real or perceived efficacy or safety concerns, failure to achieve positive clinical outcomes, uncertainty over third-party reimbursement or entrenched patterns of clinical practice. Competitors may also develop after-market services and parts for our products which attract customers and adversely affect our return on investment for new products.

***Our reputation, ability to do business and financial statements may be impaired by improper conduct by any of our employees, agents or business partners.***

We cannot provide assurance that our internal controls and compliance systems will always protect us from acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that would violate U.S. and/or non-U.S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, money laundering and data privacy. In particular, the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and criminal, monetary and nonmonetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable for violations committed by companies in which we invest or that we acquire. We also rely on our suppliers to adhere to our supplier standards of conduct, and material violations of such standards of conduct could occur that could have a material effect on our business, reputation and financial statements.

***Certain of our businesses are subject to extensive regulation by the U.S. FDA and by comparable agencies of other countries, as well as laws regulating fraud and abuse in the health care industry and the privacy and security of health information. Failure to comply with those regulations could adversely affect our reputation, ability to do business and financial statements.***

Certain of our products are medical devices and other products that are subject to regulation by the U.S. FDA, by other federal and state governmental agencies, by comparable agencies of other countries and regions, by certain accrediting bodies and by regulations governing hazardous materials and drugs-of-abuse (or the manufacture and sale of products containing any such materials). The global regulatory environment has become increasingly stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. For example, the EU has adopted the EU Medical Device Regulation (the “EU MDR”) and the In Vitro Diagnostic Regulation (the “EU IVDR”), each of which impose stricter requirements for the marketing and sale of medical devices, including in the area of clinical evaluation requirements, quality systems and post-market surveillance. Manufacturers of currently approved medical devices will have until May 2020 to meet the requirements of the EU MDR and until May 2022 to meet the EU IVDR. Failure to meet these requirements could adversely impact our business in the EU and other regions that tie their product registrations to the EU requirements.

To varying degrees, these regulators require us to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, distribution and post-marketing surveillance of our products. We cannot guarantee that we will be able to obtain regulatory clearance (such as 510(k) clearance) or approvals for our new products or modifications to (or additional indications or uses of) existing products within our anticipated timeframe or at all, and if we do obtain such clearance or approval it may be time-consuming, costly and subject to restrictions. Our ability to obtain such regulatory clearances or approvals will depend on many factors, for example our ability to obtain the necessary clinical trial results, and the process for obtaining such clearances or approvals could change over time and may require the withdrawal of products from the market until such clearances are obtained. Even after initial regulatory clearance or approval, we are subject to periodic inspection by these regulatory authorities, and if safety issues arise we may be required to amend conditions for use of a product, such as providing additional warnings on the product’s label or narrowing its approved intended use, which could reduce the product’s market acceptance. Failure to obtain required regulatory clearances or approvals before marketing our products (or before implementing modifications to or promoting additional indications or uses of our products), other violations of these regulations, failure to remediate inspectional observations to the satisfaction of these regulatory authorities, real or perceived efficacy or safety concerns or trends of adverse events with respect to our products (even after obtaining clearance for distribution) and unfavorable or inconsistent clinical data from existing or future clinical trials can lead to FDA Form 483 Inspectional Observations, warning letters, notices to customers, declining sales, loss of customers, loss of market share, remediation and increased compliance costs, recalls, seizures of adulterated or misbranded products, injunctions, administrative detentions, refusals to permit importations, partial or total shutdown of production facilities or the implementation of operating restrictions, narrowing of permitted uses for a product, suspension or withdrawal of approvals and pre-market notification rescissions. We are also subject to various laws regulating fraud and abuse, pricing and sales and marketing practices in the health care industry and the privacy and security of health information, including the federal regulations described in “Item 1. Business—Regulatory Matters.”

Failure to comply with applicable regulations could result in the adverse effects referenced below under “Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.” Compliance with regulations may also require us to incur significant expenses.

***Our products are subject to clinical trials, the results of which may be unexpected, or perceived as unfavorable by the market, and could have a material adverse effect on our business, financial condition or results of operations.***

As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, we conduct and participate in numerous clinical trials with a variety of study designs, patient populations and trial endpoints. Unexpected or inconsistent clinical data from existing or future clinical trials, or a regulator’s or the market’s perception of this clinical data, may adversely impact our ability to obtain product approvals, our position in, and share of, the markets in which we participate and our business and financial statements.

***The health care industry and related industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, which could adversely affect our financial statements.***

The health care industry and related industries that we serve have undergone, and are in the process of undergoing, significant changes in an effort to reduce costs, including the following:

- many of our customers, and the end-users to whom our customers supply products, rely on government funding of and reimbursement for health care products and services and research activities. The U.S. Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act (collectively, the “PPACA”), health care austerity measures in other countries and other potential health care reform changes and government austerity measures have reduced and may further reduce the amount of government funding or reimbursement available to customers or end-users of our products and services and/or the volume of medical procedures using our products and services. For example, the Protecting Access to Medicare Act of 2014, or PAMA, introduced a multi-year pricing program for services payable under the Clinical Laboratory Fee Schedule (“CLFS”) that is designed to bring Medicare allowable amounts in line with the amounts paid by private payers. It is still unclear whether and to what extent these new rates will affect overall pricing and reimbursement for clinical laboratory testing services, but if our customers conclude that Medicare reimbursement for these services is inadequate, it could in turn adversely impact the prices at which we sell our products. Other countries, as well as some private payors also control the price of health care products, directly or indirectly, through reimbursement, payment, pricing or coverage limitations, tying reimbursement to outcomes or (in the case of governmental entities) through compulsory licensing. Global economic uncertainty or deterioration can also adversely impact government funding and reimbursement.
- the PPACA imposes on medical device manufacturers, such as Danaher, a 2.3% excise tax on U.S. sales of certain medical devices. The excise tax has been suspended until the end of 2019, but the Company would be subject to the tax beginning in 2020.
- governmental and private health care providers and payors around the world are increasingly utilizing managed care for the delivery of health care services, centralizing purchasing, limiting the number of vendors that may participate in purchasing programs, forming group purchasing organizations and integrated health delivery networks and pursuing consolidation to improve their purchasing leverage and using competitive bid processes to procure health care products and services.

These changes as well as other impacts from market demand, government regulations, third-party coverage and reimbursement policies and societal pressures have started changing the way healthcare is delivered, reimbursed and funded and may cause participants in the health care industry and related industries that we serve to purchase fewer of our products and services, reduce the prices they are willing to pay for our products or services, reduce the amounts of reimbursement and funding available for our products and services from governmental agencies or third-party payors, heighten clinical data requirements, reduce the volume of medical procedures that use our products and services, affect the acceptance rate of new technologies and products and increase our compliance and other costs. In addition, we may be excluded from important market segments or unable to enter into contracts with group purchasing organizations and integrated health networks on terms acceptable to us, and even if we do enter into such contracts they may be on terms that negatively affect our current or future profitability. All of the factors described above could adversely affect our business and financial statements.

***Any inability to consummate acquisitions at our historical rate and at appropriate prices, and to make appropriate investments that support our long-term strategy, could negatively impact our growth rate and stock price.***

Our ability to grow revenues, earnings and cash flow at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies, and to make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our stock price. Promising acquisitions and investments are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions and investments may result in higher purchase prices. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate acquisitions and investments.

***Our acquisition of businesses, investments, joint ventures and other strategic relationships could negatively impact our financial statements.***

As part of our business strategy we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course, and we also from time to time complete more significant transactions; refer to “Item 7—Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) for additional details. Acquisitions, investments, joint ventures and strategic relationships involve a number of financial, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our business and our financial statements:

- any business, technology, service or product that we acquire or invest in could under-perform relative to our expectations and the price that we paid or not perform in accordance with our anticipated timetable, or we could fail to operate any such business profitably.
- we may incur or assume significant debt in connection with our acquisitions, investments, joint ventures or strategic relationships, which could also cause a deterioration of Danaher’s credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets.
- acquisitions, investments, joint ventures or strategic relationships could cause our financial results to differ from our own or the investment community’s expectations in any given period, or over the long-term.
- pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period-to-period.
- acquisitions, investments, joint ventures or strategic relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address.
- we could experience difficulty in integrating personnel, operations and financial and other controls and systems and retaining key employees and customers.
- we may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition, investment, joint venture or strategic relationship.
- we may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company’s or investee’s activities and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position or cause us to fail to meet our public financial reporting obligations.
- in connection with acquisitions and joint ventures, we often enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results.
- as a result of our acquisitions and investments, we have recorded significant goodwill and other assets on our balance sheet and if we are not able to realize the value of these assets, or if the fair value of our investments declines, we may be required to incur impairment charges.
- we may have interests that diverge from those of our joint venture partners or other strategic partners and we may not be able to direct the management and operations of the joint venture or other strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.

- investing in or making loans to early-stage companies often entails a high degree of risk, and we may not achieve the strategic, technological, financial or commercial benefits we anticipate; we may lose our investment or fail to recoup our loan; or our investment may be illiquid for a greater-than-expected period of time.

***The indemnification provisions of acquisition agreements by which we have acquired companies may not fully protect us and as a result we may face unexpected liabilities.***

Certain of the acquisition agreements by which we have acquired companies require the former owners to indemnify us against certain liabilities related to the operation of the company before we acquired it. In most of these agreements, however, the liability of the former owners is limited and certain former owners may be unable to meet their indemnification responsibilities. We cannot assure you that these indemnification provisions will protect us fully or at all, and as a result we may face unexpected liabilities that adversely affect our financial statements.

***Divestitures or other dispositions could negatively impact our business, and contingent liabilities from businesses that we have sold could adversely affect our financial statements.***

We continually assess the strategic fit of our existing businesses and may divest, spin-off, split-off or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. For example, we split-off our communications business in 2015, spun-off our Fortive business in 2016 and have announced our intention to spin-off our Dental business in 2019. Transactions such as these pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. In addition, divestitures or other dispositions may dilute the Company's earnings per share, have other adverse financial, tax and accounting impacts and distract management, and disputes may arise with buyers. In addition, we have retained responsibility for and/or have agreed to indemnify buyers against some known and unknown contingent liabilities related to a number of businesses we have sold or disposed. The resolution of these contingencies has not had a material effect on our financial statements but we cannot be certain that this favorable pattern will continue.

***We could incur significant liability if the anticipated spin-off of our Dental business, 2016 spin-off of Fortive Corporation ("Fortive") or the 2015 split-off of our communications business is determined to be a taxable transaction.***

In July 2015, the Company consummated the split-off of the majority of its former communications business to Danaher shareholders who elected to exchange Danaher shares for ownership interests in the communications business, and the subsequent merger of the communications business with a subsidiary of NetScout Systems, Inc. Danaher shareholders who participated in the exchange offer tendered 26 million shares of Danaher common stock (approximately \$2.3 billion on the date of tender) and received 62.5 million shares of NetScout common stock which represented approximately 60% of the shares of NetScout common stock outstanding following the combination.

On July 2, 2016, Danaher completed the separation (the "Fortive Separation") of its former Test & Measurement segment, Industrial Technologies segment (excluding the product identification businesses) and retail/commercial petroleum business by distributing to Danaher stockholders on a pro rata basis all of the issued and outstanding common stock of Fortive, the entity Danaher incorporated to hold such businesses. To effect the Fortive Separation, Danaher distributed to its stockholders one share of Fortive common stock for every two shares of Danaher common stock outstanding as of June 15, 2016, the record date for the distribution.

As noted above, we have also announced our intention to spin-off Danaher's Dental business into an independent, publicly-traded company in the second half of 2019, subject to the satisfaction of certain conditions.

We have received opinions from outside tax counsel to the effect that each of the Fortive Separation in 2016 and the split-off of our communications business in 2015 qualifies as a transaction that is described in Sections 355(a) and 368(a)(1)(D) of the Internal Revenue Code, and we anticipate receiving a similar opinion with respect to the planned Dental spin-off. The opinions relating to the Fortive spin-off and communications split-off rely (and we anticipate the opinion related to the Dental spin-off will rely) on certain facts, assumptions, representations and undertakings regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not satisfied, our stockholders and we may not be able to rely on the respective opinion of tax counsel and could be subject to significant tax liabilities. Notwithstanding the opinion of tax counsel, the IRS could determine on audit that any such separations are taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the respective opinion. If any such transaction is determined to be taxable for U.S. federal income tax purposes, our stockholders that are subject to U.S. federal income tax and we could incur significant U.S. federal income tax liabilities.

***Potential indemnification liabilities pursuant to the 2016 spin-off of Fortive and the 2015 split-off of our communications business could materially and adversely affect our business and financial statements.***

We entered into a separation and distribution agreement and related agreements with Fortive to govern the Fortive Separation and the relationship between the two companies going forward. We entered into similar agreements with NetScout Systems, Inc. in connection with the split-off of our communications business and anticipate entering into similar agreements in connection with the spin-off of our Dental business. These agreements provide for specific indemnity and liability obligations of each party and could lead to disputes between us. If we are required to indemnify the other parties under the circumstances set forth in these agreements, we may be subject to substantial liabilities. In addition, with respect to the liabilities for which the other parties have agreed to indemnify us under these agreements, there can be no assurance that the indemnity rights we have against such other parties will be sufficient to protect us against the full amount of the liabilities, or that such other parties will be able to fully satisfy its indemnification obligations. It is also possible that a court could disregard the allocation of assets and liabilities agreed to between Danaher and such other parties and require Danaher to assume responsibility for obligations allocated to such other parties. Each of these risks could negatively affect our business and financial statements.

***A significant disruption in, or breach in security of, our information technology systems or data or violation of data privacy laws could adversely affect our business, reputation and financial statements.***

We rely on information technology systems, some of which are provided and/or managed by third-parties, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, other business partners and patients), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). In addition, some of our remote monitoring products and services incorporate software and information technology that may house personal data and some products or software we sell to customers may connect to our systems for maintenance or other purposes. These systems, products and services (including those we acquire through business acquisitions) may be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, ransomware, human error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. Attacks may also target hardware, software and information installed, stored or transmitted in our products after such products have been purchased and incorporated into third-party products, facilities or infrastructure. Security breaches of systems provided or enabled by us, regardless of whether the breach is attributable to a vulnerability in our products or services, could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers, patients or suppliers. Like most multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyber-attacks and we expect the sophistication and frequency of such attacks to continue to increase. Unauthorized tampering, adulteration or interference with our products may also adversely affect product functionality and result in loss of data, risk to patient safety and product recalls or field actions. Any of the attacks, breaches or other disruptions or damage described above could interrupt our operations or the operations of our customers and partners, delay production and shipments, result in theft of our and our customers' intellectual property and trade secrets, damage customer, patient, business partner and employee relationships and our reputation or result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws and increased costs for security and remediation, each of which could adversely affect our business, reputation and financial statements.

If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer adverse regulatory consequences, business consequences and litigation. As a global organization, we are subject to data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and/or sensitive data in the course of our business. For example, in the United States, HIPAA privacy and security rules require certain of our operations to maintain controls to protect the availability and confidentiality of patient health information, individual states regulate data breach and security requirements and multiple governmental bodies assert authority over aspects of the protection of personal privacy. The new EU General Data Protection Regulation, which became effective in May 2018, has imposed significantly stricter requirements in how we collect and process personal data, including, among other things, a requirement for prompt notice of data breaches to data subjects and supervisory authorities in certain circumstances and significant fines for non-compliance. Several other countries such as China and Russia have passed, and other countries are considering passing, laws that require personal data relating to their citizens to be maintained on local servers and impose additional data transfer restrictions. Government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial statements. In addition, compliance with the varying data privacy regulations around the world has required significant expenditures and may require additional expenditures, and may require changes in our products or business models that increase competition or reduce revenue.

***Our operations, products and services expose us to the risk of environmental, health and safety liabilities, costs and violations that could adversely affect our business, reputation and financial statements.***

Our operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment, establish standards for the use, generation, treatment, storage and disposal of hazardous and nonhazardous wastes and impose end-of-life disposal and take-back programs. We must also comply with various health and safety regulations in the United States and abroad in connection with our operations. We cannot assure you that our environmental, health and safety compliance program (or the compliance programs of businesses we acquire) have been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and nonmonetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws will not exceed our estimates or adversely affect our financial statements.

In addition, we may incur costs related to remedial efforts or alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. We are also from time to time party to personal injury, property damage or other claims brought by private parties alleging injury or damage due to the presence of or exposure to hazardous substances. We may also become subject to additional remedial, compliance or personal injury costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of our operations and changes in accounting rules. For additional information regarding these risks, refer to Note 17 to the Consolidated Financial Statements included in this Annual Report. We cannot assure you that our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our reputation and financial statements or that we will not be subject to additional claims for personal injury or remediation in the future based on our past, present or future business activities. However, based on the information we currently have we do not believe that it is reasonably possible that any amounts we may be required to pay in connection with environmental matters in excess of our reserves as of December 31, 2018 will have a material effect on our financial statements.

***Our businesses are subject to extensive regulation; failure to comply with those regulations could adversely affect our financial statements and our business, including our reputation.***

In addition to the environmental, health, safety, health care, medical device, anticorruption, data privacy and other regulations noted elsewhere in this Annual Report, our businesses are subject to extensive regulation by U.S. and non-U.S. governmental and self-regulatory entities at the supranational, federal, state, local and other jurisdictional levels, including the following:

- we are required to comply with various import laws and export control and economic sanctions laws, which may affect our transactions with certain customers, business partners and other persons and dealings between our employees and between our subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies. In other circumstances, we may be required to obtain an export license before exporting the controlled item. Compliance with the various import laws that apply to our businesses can restrict our access to, and increase the cost of obtaining, certain products and at times can interrupt our supply of imported inventory.
- we also have agreements to sell products and services to government entities and are subject to various statutes and regulations that apply to companies doing business with government entities. The laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing and other terms and conditions that are not applicable to private contracts. Our agreements with government entities may be subject to termination, reduction or modification at the convenience of the government or in the event of changes in government requirements, reductions in federal spending and other factors, and we may underestimate our costs of performing under the contract. In certain cases, a governmental entity may require us to pay back amounts it has paid to us. Government contracts that have been awarded to us following a bid process could become the subject of a bid protest by a losing bidder, which could result in loss of the contract. We are also subject to investigation and audit for compliance with the requirements governing government contracts.

These are not the only regulations that our businesses must comply with. The regulations we are subject to have tended to become more stringent over time and may be inconsistent across jurisdictions. We, our representatives and the industries in which we operate may at times be under review and/or investigation by regulatory authorities. Failure to comply (or any alleged or perceived failure to comply) with the regulations referenced above or any other regulations could result in civil and criminal, monetary and nonmonetary penalties, and any such failure or alleged failure (or becoming subject to a regulatory enforcement investigation) could also damage our reputation, disrupt our business, limit our ability to manufacture, import, export and sell products and services, result in loss of customers and disbarment from selling to certain federal agencies and

cause us to incur significant legal and investigatory fees. Compliance with these and other regulations may also affect our returns on investment, require us to incur significant expenses or modify our business model or impair our flexibility in modifying product, marketing, pricing or other strategies for growing our business. Our products and operations are also often subject to the rules of industrial standards bodies such as the International Standards Organization, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our business and financial statements. For additional information regarding these risks, refer to “Item 1. Business—Regulatory Matters.”

***Our restructuring actions could have long-term adverse effects on our business.***

In recent years, we have implemented significant restructuring activities across our businesses to adjust our cost structure, and we may engage in similar restructuring activities in the future. These restructuring activities and our regular ongoing cost reduction activities (including in connection with the integration of acquired businesses) reduce our available talent, assets and other resources and could slow improvements in our products and services, adversely affect our ability to respond to customers, limit our ability to increase production quickly if demand for our products increases and trigger adverse public attention. In addition, delays in implementing planned restructuring activities or other productivity improvements, unexpected costs or failure to meet targeted improvements may diminish the operational or financial benefits we expect to realize from such actions. Any of the circumstances described above could adversely impact our business and financial statements.

***We may be required to recognize impairment charges for our goodwill and other intangible assets.***

As of December 31, 2018, the net carrying value of our goodwill and other intangible assets totaled approximately \$37.6 billion. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in use of our assets, changes in the structure of our business, divestitures, market capitalization declines, or increases in associated discount rates may impair our goodwill and other intangible assets. Any charges relating to such impairments would adversely affect our results of operations in the periods recognized.

***Foreign currency exchange rates may adversely affect our financial statements.***

Sales and purchases in currencies other than the U.S. dollar expose us to fluctuations in foreign currencies relative to the U.S. dollar and may adversely affect our financial statements. Increased strength of the U.S. dollar increases the effective price of our products sold in U.S. dollars into other countries, which may require us to lower our prices or adversely affect sales to the extent we do not increase local currency prices. Decreased strength of the U.S. dollar could adversely affect the cost of materials, products and services we purchase overseas. Sales and expenses of our non-U.S. businesses are also translated into U.S. dollars for reporting purposes and the strengthening or weakening of the U.S. dollar could result in unfavorable translation effects. In addition, certain of our businesses may invoice customers in a currency other than the business’ functional currency, and movements in the invoiced currency relative to the functional currency could also result in unfavorable translation effects. The Company also faces exchange rate risk from its investments in subsidiaries owned and operated in foreign countries.

***Changes in our tax rates or exposure to additional income tax liabilities or assessments could affect our profitability. In addition, audits by tax authorities could result in additional tax payments for prior periods.***

We are subject to income taxes in the U.S. and in numerous non-U.S. jurisdictions. On December 22, 2017, the Tax Cuts and Jobs Act (“TCJA”) was enacted. The TCJA significantly revised the U.S. federal corporate income tax law by, among other things, lowering the corporate income tax rate to 21.0%, implementing a territorial tax system, and imposing a one-time tax on unremitted cumulative non-U.S. earnings of foreign subsidiaries (“Transition Tax”). The U.S. Treasury Department and IRS continue to issue regulations with respect to implementing the TCJA and further regulations are expected to be issued.

Due to the potential for changes to tax laws and regulations or changes to the interpretation thereof (including regulations and interpretations pertaining to the TCJA), the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, the complexity of our intercompany arrangements, uncertainties regarding the geographic mix of earnings in any particular period, and other factors, our estimates of effective tax rate and income tax assets and liabilities may be incorrect and our financial statements could be adversely affected; please refer to MD&A for a discussion of additional factors that may adversely affect our effective tax rate and decrease our profitability in any period. The impact of these factors referenced in the first sentence of this paragraph may be substantially different from period-to-period.

In addition, the amount of income taxes we pay is subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. tax authorities, such as the audits described in MD&A and the Company’s Consolidated Financial Statements. If audits result in payments or assessments different from our reserves, our future results may include unfavorable adjustments to



our tax liabilities and our financial statements could be adversely affected. Any further significant changes to the tax system in the United States or in other jurisdictions (including changes in the taxation of international income as further described below) could adversely affect our financial statements.

***Changes in tax law relating to multinational corporations could adversely affect our tax position.***

The U.S. Congress, government agencies in non-U.S. jurisdictions where we and our affiliates do business, and the Organisation for Economic Co-operation and Development (“OECD”) have recently focused on issues related to the taxation of multinational corporations. One example is in the area of “base erosion and profit shifting,” where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. The OECD has released several components of its comprehensive plan to create an agreed set of international rules for addressing base erosion and profit shifting. As a result, the tax laws in the United States and other countries in which we do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial statements.

***We are subject to a variety of litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements.***

We are subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously owned entities), including claims or counterclaims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes, breach of contract claims, competition and sales and trading practices, environmental matters, personal injury, insurance coverage and acquisition or divestiture-related matters, as well as regulatory subpoenas, requests for information, investigations and enforcement. We may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, divested businesses. The types of claims made in lawsuits include claims for compensatory damages, punitive and consequential damages (and in some cases, treble damages) and/or injunctive relief. The defense of these lawsuits may divert our management’s attention, we may incur significant expenses in defending these lawsuits, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets previously not susceptible of reasonable estimates or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure you that our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and business. However, based on our experience, current information and applicable law, we do not believe that it is reasonably possible that any amounts we may be required to pay in connection with litigation and other legal and regulatory proceedings in excess of our reserves as of December 31, 2018 will have a material effect on our financial statements.

***If we do not or cannot adequately protect our intellectual property, or if third-parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights.***

Many of the markets we serve are technology-driven, and as a result intellectual property rights play a significant role in product development and differentiation. We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, which in aggregate are important to our business. The intellectual property rights that we obtain, however, may not be sufficiently broad or otherwise may not provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property may not prevent it from being challenged, invalidated, circumvented, designed-around or becoming subject to compulsory licensing, particularly in countries where intellectual property rights are not highly developed or protected. In some circumstances, enforcement may not be available to us because an infringer has a dominant intellectual property position or for other business reasons, or countries may require compulsory licensing of our intellectual property. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements will adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third-parties will not otherwise gain access to our trade secrets or other proprietary rights. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing our intellectual property rights could adversely impact our business, including our competitive position, and financial statements.

***Third-parties may claim that we are infringing or misappropriating their intellectual property rights and we could suffer significant litigation expenses, losses or licensing expenses or be prevented from selling products or services.***

From time to time, we receive notices from third-parties alleging intellectual property infringement or misappropriation. Any dispute or litigation regarding intellectual property could be costly and time-consuming due to the complexity of many of our technologies and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, we could lose our rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights or be required to redesign our products at substantial cost, any of which could adversely impact our business, including our competitive position, and financial statements. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business and financial statements.

***The U.S. government has certain rights to use and disclose some of the intellectual property that we license and could exclusively license it to a third-party if we fail to achieve practical application of the intellectual property.***

Certain technology licensed by us under agreements with third-party licensors may be subject to government rights. Government rights in inventions conceived or reduced to practice under a government-funded program may include a nonexclusive, royalty-free worldwide license to practice or have practiced such inventions for any governmental purpose. In addition, the U.S. government has the right to require us or our licensors (as applicable) to grant licenses which would be exclusive under any of such inventions to a third-party if they determine that: (1) adequate steps have not been taken to commercialize such inventions in a particular field of use; (2) such action is necessary to meet public health or safety needs; or (3) such action is necessary to meet requirements for public use under federal regulations. Further, the government rights include the right to use and disclose, without limitation, technical data relating to licensed technology that was developed in whole or in part at government expense.

***Defects and unanticipated use or inadequate disclosure with respect to our products or services (including software), or allegations thereof, could adversely affect our business, reputation and financial statements.***

Manufacturing or design defects or “bugs” in, unanticipated use of, safety or quality issues (or the perception of such issues) with respect to, “off label” use of, or inadequate disclosure of risks relating to the use of products and services that we make or sell (including items that we source from third-parties) can lead to personal injury, death, property damage, loss of profits or other liability. These events could lead to recalls or safety alerts, result in the removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services. Our business can also be affected by studies of the utilization, safety and efficacy of medical device products and components that are conducted by industry participants, government agencies and others. Any of the above can result in the discontinuation of marketing of such products in one or more countries, and may give rise to claims for damages from persons who believe they have been injured as a result of product issues, including claims by individuals or groups seeking to represent a class.

***The manufacture of many of our products is a highly exacting and complex process, and if we directly or indirectly encounter problems manufacturing products, our reputation, business and financial statements could suffer.***

The manufacture of many of our products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, natural disasters and environmental factors, and if not discovered before the product is released to market could result in recalls and product liability exposure. Because of the time required to approve and license certain regulated manufacturing facilities and other stringent regulations of the FDA and similar agencies regarding the manufacture of certain of our products, an alternative manufacturer may not be available on a timely basis to replace such production capacity. Any of these manufacturing problems could result in significant costs, liability and lost revenue, loss of market share as well as negative publicity and damage to our reputation that could reduce demand for our products.

***Our indebtedness may limit our operations and our use of our cash flow, and any failure to comply with the covenants that apply to our indebtedness could adversely affect our liquidity and financial statements.***

As of December 31, 2018, we had approximately \$9.7 billion in outstanding indebtedness. In addition, as of December 31, 2018, we had the ability to incur approximately an additional \$1.5 billion of indebtedness in direct borrowings or under the outstanding commercial paper facility based on the amounts available under the Company’s \$4.0 billion credit facility which

were not being used to backstop outstanding commercial paper balances. Our debt level and related debt service obligations can have negative consequences, including (1) requiring us to dedicate significant cash flow from operations to the payment of principal and interest on our debt, which reduces the funds we have available for other purposes such as acquisitions and capital investment; (2) reducing our flexibility in planning for or reacting to changes in our business and market conditions; and (3) exposing us to interest rate risk since a portion of our debt obligations are at variable rates. We may incur significantly more debt in the future, particularly to finance acquisitions, and there can be no assurance that our cost of funding will not substantially increase.

Our current revolving credit facility and long-term debt obligations also impose certain restrictions on us; for more information refer to MD&A. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements. In addition, any failure to maintain the credit ratings assigned to us by independent rating agencies would adversely affect our cost of funds and could adversely affect our liquidity and access to the capital markets. If we add new debt, the risks described above could increase.

***Adverse changes in our relationships with, or the financial condition, performance, purchasing patterns or inventory levels of, key distributors and other channel partners could adversely affect our financial statements.***

Certain of our businesses sell a significant amount of their products to or through key distributors and other channel partners that have valuable relationships with customers and end-users. Some of these distributors and other partners also sell our competitors' products or compete with us directly, and if they favor competing products for any reason they may fail to market our products effectively. Adverse changes in our relationships with these distributors and other partners, reduction or discontinuation of their purchases from us or adverse developments in their financial condition, performance or purchasing patterns, could adversely affect our business and financial statements. The levels of inventory maintained by our distributors and other channel partners, and changes in those levels, can also significantly impact our results of operations in any given period. In addition, the consolidation of distributors and customers in certain of our served industries could adversely impact our business and financial statements.

***Certain of our businesses rely on relationships with collaborative partners and other third-parties for development, supply and marketing of certain products and potential products, and such collaborative partners or other third-parties could fail to perform sufficiently.***

We believe that for certain of our businesses, success in penetrating target markets depends in part on their ability to develop and maintain collaborative relationships with other companies. Relying on collaborative relationships is risky because, among other things, our collaborative partners may (1) not devote sufficient resources to the success of our collaborations; (2) fail to obtain regulatory approvals necessary to continue the collaborations in a timely manner; (3) be acquired by other companies and terminate our collaborative partnership or become insolvent; (4) compete with us; (5) disagree with us on key details of the collaborative relationship; (6) have insufficient capital resources; and (7) decline to renew existing collaborations on acceptable terms. Because these and other factors may be beyond our control, the development or commercialization of our products involved in collaborative partnerships may be delayed or otherwise adversely affected. If we or any of our collaborative partners terminate a collaborative arrangement, we may be required to devote additional resources to product development and commercialization or we may need to cancel some development programs, which could adversely affect our business and financial statements.

***Our financial results are subject to fluctuations in the cost and availability of commodities that we use in our operations.***

As discussed in "Item 1. Business—Materials," our manufacturing and other operations employ a wide variety of components, raw materials and other commodities, including metallic-based components, electronic components, chemicals, plastics and other petroleum-based products. Prices for and availability of these components, raw materials and other commodities have fluctuated significantly in the past. Any sustained interruption in the supply of these items could adversely affect our business. In addition, due to the highly competitive nature of the industries that we serve, the cost-containment efforts of our customers and the terms of certain contracts we are party to, if commodity prices rise we may be unable to pass along cost increases through higher prices. If we are unable to fully recover higher commodity costs through price increases or offset these increases through cost reductions, or if there is a time delay between the increase in costs and our ability to recover or offset these costs, our margins and profitability could decline and our financial statements could be adversely affected.

***If we cannot adjust our manufacturing capacity or the purchases required for our manufacturing activities to reflect changes in market conditions and customer demand, our profitability may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services could cause production interruptions, delays and inefficiencies.***

We purchase materials, components and equipment from third-parties for use in our manufacturing operations, including metallic-based components, electronic components, chemicals, plastics and other petroleum-based products. Our income could be adversely impacted if we are unable to adjust our purchases to reflect changes in customer demand and market fluctuations, including those caused by seasonality or cyclicity. During a market upturn, suppliers may extend lead times, limit supplies or increase prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet increasing demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase or we may breach our contractual commitments and incur liabilities. Conversely, in order to secure supplies for the production of products, we sometimes enter into noncancelable purchase commitments with vendors, which could impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer.

In addition, some of our businesses purchase certain requirements from sole or limited source suppliers for reasons of quality assurance, regulatory requirements, cost effectiveness, availability or uniqueness of design. If these or other suppliers encounter financial, operating or other difficulties or if our relationship with them changes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses could also be disrupted by supplier capacity constraints, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities and external events such as natural disasters, pandemic health issues, war, terrorist actions, governmental actions and legislative or regulatory changes. Any of these factors could result in production interruptions, delays, extended lead times and inefficiencies.

Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, our manufacturing capacity may at times exceed or fall short of our production requirements. Any or all of these problems could result in the loss of customers, provide an opportunity for competing products to gain market acceptance and otherwise adversely affect our financial statements.

***Changes in governmental regulations may reduce demand for our products or services or increase our expenses.***

We compete in markets in which we and our customers must comply with supranational, federal, state, local and other jurisdictional regulations, such as regulations governing health and safety, the environment, food and drugs, privacy and electronic communications. We develop, configure and market our products and services to meet customer needs created by these regulations. These regulations are complex, change frequently, have tended to become more stringent over time and may be inconsistent across jurisdictions. Any significant change in any of these regulations (or in the interpretation or application thereof) could reduce demand for, increase our costs of producing or delay the introduction of new or modified products and services, or could restrict our existing activities, products and services. For example, a number of our products and services are marketed to the pharmaceutical and related industries for use in discovering and developing drugs and therapies. Changes in the U.S. FDA's regulation of the drug discovery and development process could have an adverse effect on the demand for these products and services. In addition, in certain of our markets our growth depends in part upon the introduction of new regulations. In these markets, the delay or failure of governmental and other entities to adopt or enforce new regulations, the adoption of new regulations which our products and services are not positioned to address or the repeal of existing regulations, could adversely affect demand. In addition, regulatory deadlines may result in substantially different levels of demand for our products and services from period-to-period.

***Work stoppages, union and works council campaigns and other labor disputes could adversely impact our productivity and results of operations.***

We have certain U.S. and non-U.S. collective labor arrangements. We are subject to potential work stoppages, union and works council campaigns and other labor disputes, any of which could adversely impact our financial statements and business, including our productivity and reputation.

***International economic, political, legal, compliance and business factors could negatively affect our financial statements.***

In 2018, approximately 63% of our sales were derived from customers outside the United States. In addition, many of our manufacturing operations, suppliers and employees are located outside the United States. Since our growth strategy depends in part on our ability to further penetrate markets outside the United States and increase the localization of our products and services, we expect to continue to increase our sales and presence outside the United States, particularly in the high-growth markets. Our international business (and particularly our business in high-growth markets) is subject to risks that are customarily encountered in non-U.S. operations, including:

- interruption in the transportation of materials to us and finished goods to our customers;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country's or region's political or economic conditions, such as the devaluation of particular currencies;
- trade protection measures, embargoes and import or export restrictions and requirements;
- unexpected changes in laws or regulatory requirements, including changes in tax laws;
- capital controls and limitations on ownership and on repatriation of earnings and cash;
- the potential for nationalization of enterprises;
- changes in medical reimbursement policies and programs;
- limitations on legal rights and our ability to enforce such rights;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in implementing restructuring actions on a timely or comprehensive basis;
- differing protection of intellectual property; and
- greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals.

Any of these risks could negatively affect our financial statements and business, including our growth rate.

***Significant developments stemming from the United Kingdom's referendum decision to exit the EU could have an adverse effect on us.***

In a referendum on June 23, 2016, voters in the United Kingdom ("UK") voted for the UK to exit the EU (referred to as Brexit). As it stands, the UK is expected to depart the EU on March 29, 2019 but the terms of its withdrawal and the nature of its future relationship with the EU are still being decided. This referendum has caused and may continue to cause political and economic uncertainty, including significant volatility in global stock markets and currency exchange rate fluctuations. Even if no agreement is reached, the UK's separation still becomes effective unless all EU members unanimously agree on an extension. Negotiations have commenced to determine the future terms of the UK relationship with the EU, including, among other things, the terms of trade between the UK and the EU. If no agreement is reached by March 29, 2019, the UK's membership in the EU could terminate under a so-called "hard Brexit". The effects of Brexit will depend on many factors, including any agreements that the UK makes to retain access to EU markets either during a transitional period or more permanently. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replace or replicate. In a "hard Brexit" scenario, there could be increased costs from re-imposition of tariffs on trade between the UK and EU, shipping delays because of the need for customs inspections and procedures, and temporary shortages of certain goods. In addition, trade and investment between the UK, the EU, the United States and other countries will be impacted by the fact that the UK currently operates under the EU's tax treaties. The UK will need to negotiate its own tax and trade treaties with countries all over the world, which could take years to complete. We have manufacturing facilities in the UK, and, depending on the terms of Brexit, we could become subject to export tariffs and regulatory restrictions that could increase the costs and time related to doing business in Europe. Additionally, Brexit could result in the UK or the European Union significantly altering its regulations affecting the clearance or approval of our products

that are developed or manufactured in the UK. Any new regulations could add time and expense to the conduct of our business, as well as the process by which our products receive regulatory approval in the UK, the EU and elsewhere. Any of these factors could adversely affect customer demand, our relationships with customers and suppliers and our business and financial statements. As of December 31, 2018, the Company's net investment in plant, property and equipment in the UK was \$157 million. For the year ended December 31, 2018, less than 3% of our sales were derived from customers located in the UK, however, the impact of Brexit could also impact our sales and operations outside the UK.

***If we suffer loss to our facilities, supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed.***

Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, public health crisis, war, terrorism or other natural or man-made disasters, such as the damage caused to our facilities by Hurricane Maria in Puerto Rico in September 2017. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. The third-party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against such losses.

***Our defined benefit pension plans are subject to financial market risks that could adversely affect our financial statements.***

The performance of the financial markets and interest rates impact our defined benefit pension plan expenses and funding obligations. Significant changes in market interest rates, decreases in the fair value of plan assets, investment losses on plan assets and changes in discount rates may increase our funding obligations and adversely impact our financial statements. In addition, upward pressure on the cost of providing health care coverage to current employees and retirees may increase our future funding obligations and adversely affect our financial statements.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

#### **ITEM 2. PROPERTIES**

Danaher's corporate headquarters are located in Washington, D.C. in a facility that the Company leases. As of December 31, 2018, the Company had facilities in over 60 countries, including approximately 261 significant office, research and development, manufacturing and distribution facilities. 109 of these facilities are located in the United States in over 25 states and 152 are located outside the United States in over 30 other countries, primarily in Europe and to a lesser extent in Asia, South America, the rest of North America and Australia. These facilities cover approximately 23 million square feet, of which approximately 11 million square feet are owned and approximately 12 million square feet are leased. Particularly outside the United States, facilities often serve more than one business segment and may be used for multiple purposes, such as administrative, sales, manufacturing, warehousing and/or distribution. In addition to three significant corporate locations, the number of significant administrative, sales, research and development, manufacturing and distribution facilities by business segment is:

- Life Sciences, 80;
- Diagnostics, 75;
- Dental, 42; and
- Environmental & Applied Solutions, 61.

The Company considers its facilities suitable and adequate for the purposes for which they are used and does not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. The Company believes its properties and equipment have been well-maintained. Refer to Note 16 to the Consolidated Financial Statements included in this Annual Report for additional information with respect to the Company's lease commitments.

#### **ITEM 3. LEGAL PROCEEDINGS**

For information regarding legal proceedings, refer to the section titled "Legal Proceedings" in MD&A.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

#### EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the names, ages, positions and experience of Danaher's executive officers as of February 7, 2019. All of Danaher's executive officers hold office at the pleasure of Danaher's Board of Directors. Unless otherwise stated, the positions indicated are Danaher positions.

Name	Age	Position	Officer Since
Steven M. Rales	67	Chairman of the Board	1984
Mitchell P. Rales	62	Chairman of the Executive Committee	1984
Thomas P. Joyce, Jr.	58	Chief Executive Officer and President	2002
Matthew R. McGrew	47	Executive Vice President and Chief Financial Officer	2019
Daniel L. Comas	55	Executive Vice President	1996
Rainer M. Blair	54	Executive Vice President	2014
William K. Daniel II	54	Executive Vice President	2006
Joakim Weidemanis	49	Executive Vice President	2017
Brian W. Ellis	52	Senior Vice President – General Counsel and Chief Compliance Officer	2016
William H. King	51	Senior Vice President – Strategic Development	2005
Angela S. Lalor	53	Senior Vice President – Human Resources	2012
Robert S. Lutz	61	Senior Vice President – Chief Accounting Officer	2002
Daniel A. Raskas	52	Senior Vice President – Corporate Development	2004

Steven M. Rales is a co-founder of Danaher and has served on Danaher's Board of Directors since 1983, serving as Danaher's Chairman of the Board since 1984. He was also CEO of the Company from 1984 to 1990. Mr. Rales is also a member of the board of directors of Fortive Corporation, and is a brother of Mitchell P. Rales.

Mitchell P. Rales is a co-founder of Danaher and has served on Danaher's Board of Directors since 1983, serving as Chairman of the Executive Committee of Danaher since 1984. He was also President of the Company from 1984 to 1990. Mr. Rales is also a member of the board of directors of Colfax Corporation and of Fortive Corporation, and is a brother of Steven M. Rales.

Thomas P. Joyce, Jr. has served on Danaher's Board of Directors and as Danaher's President and Chief Executive Officer since September 2014 after serving as Executive Vice President – CEO Designate from April 2014 to September 2014 and as Executive Vice President from 2006 to April 2014.

Matthew R. McGrew has served as Executive Vice President and Chief Financial Officer since January 2019, after serving as Group CFO of Danaher from 2012 until December 2018.

Daniel L. Comas has served as Executive Vice President since January 2019, after serving as Executive Vice President and Chief Financial Officer from 2005 until December 2018.

Rainer M. Blair has served as Executive Vice President since January 2017 after serving as Vice President – Group Executive from March 2014 until January 2017 and as President of Danaher's Sciex business from January 2011 to March 2014.

William K. Daniel II has served as Executive Vice President since 2008.

Joakim Weidemanis has served as Executive Vice President since December 2017 after serving as Vice President – Group Executive from March 2014 until December 2017 and as Group President – Marking and Coding from January 2013 to March 2014.

Brian W. Ellis has served as Senior Vice President – General Counsel and Chief Compliance Officer since joining Danaher in January 2016. Prior to joining Danaher, Mr. Ellis served for over five years in progressively more responsible positions in the legal department of Medtronic, Inc., a medical device company, including most recently as Vice President and General Counsel of Medtronic's Restorative Therapies Group.

William H. King has served as Senior Vice President – Strategic Development since May 2014 after serving as Vice President – Strategic Development from 2005 to May 2014.

Angela S. Lalor has served as Senior Vice President – Human Resources since joining Danaher in April 2012.

Robert S. Lutz has served as Senior Vice President – Chief Accounting Officer since February 2010.

Daniel A. Raskas has served as Senior Vice President – Corporate Development since February 2010.



## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the New York Stock Exchange under the symbol DHR. As of February 7, 2019, there were approximately 2,500 holders of record of Danaher's common stock.

Our payment of dividends in the future will be determined by Danaher's Board of Directors and will depend on business conditions, Danaher's earnings and other factors Danaher's Board deems relevant.

#### Issuer Purchases of Equity Securities

On July 16, 2013, the Company's Board of Directors approved a repurchase program (the "Repurchase Program") authorizing the repurchase of up to 20 million shares of the Company's common stock from time to time on the open market or in privately negotiated transactions. There is no expiration date for the Repurchase Program, and the timing and amount of any shares repurchased under the program will be determined by the Company's management based on its evaluation of market conditions and other factors. The Repurchase Program may be suspended or discontinued at any time. Any repurchased shares will be available for use in connection with the Company's equity compensation plans (or any successor plan) and for other corporate purposes. As of December 31, 2018, 20 million shares remained available for repurchase pursuant to the Repurchase Program. The Company expects to fund any future stock repurchases using the Company's available cash balances or proceeds from the issuance of debt.

Neither the Company nor any "affiliated purchaser" repurchased any shares of Company common stock during 2018, 2017 or 2016.

#### Recent Issuances of Unregistered Securities

During the fourth quarter of 2018, holders of certain of the Company's Liquid Yield Option Notes due 2021 ("LYONs") converted such LYONs into an aggregate of 97 thousand shares of Danaher common stock, par value \$0.01 per share. In each case, the shares of common stock were issued solely to existing security holders upon conversion of the LYONs pursuant to the exemption from registration provided under Section 3(a)(9) of the Securities Act of 1933, as amended.

**ITEM 6. SELECTED FINANCIAL DATA**  
**(\$ in millions, except per share information)**

	2018	2017	2016	2015	2014
Sales	\$ 19,893.0	\$ 18,329.7	\$ 16,882.4	\$ 14,433.7	\$ 12,866.9
Operating profit	3,403.8	2,990.4	2,735.2	2,157.4	2,044.5
Net earnings from continuing operations	2,650.9	2,469.8 <sup>(a)(b)</sup>	2,153.4 <sup>(c)(d)</sup>	1,746.7 <sup>(f)</sup>	1,638.7 <sup>(h)</sup>
Earnings from discontinued operations, net of income taxes	—	22.3	400.3	1,610.7 <sup>(e)</sup>	959.7 <sup>(g)</sup>
Net earnings	\$ 2,650.9	\$ 2,492.1 <sup>(a)(b)</sup>	\$ 2,553.7 <sup>(c)(d)</sup>	\$ 3,357.4 <sup>(e)(f)</sup>	\$ 2,598.4 <sup>(g)(h)</sup>
Net earnings per share from continuing operations:					
Basic	\$ 3.78	\$ 3.55 <sup>(a)(b)</sup>	\$ 3.12 <sup>(c)(d)</sup>	\$ 2.50 <sup>(f)</sup>	\$ 2.33 <sup>(h)</sup>
Diluted	\$ 3.74	\$ 3.50 <sup>(a)(b)</sup>	\$ 3.08 <sup>(c)(d)</sup>	\$ 2.47 <sup>(f)</sup>	\$ 2.29 <sup>(h)</sup>
Net earnings per share from discontinued operations:					
Basic	\$ —	\$ 0.03	\$ 0.58	\$ 2.31 <sup>(e)</sup>	\$ 1.37 <sup>(g)</sup>
Diluted	\$ —	\$ 0.03	\$ 0.57	\$ 2.27 <sup>(e)</sup>	\$ 1.34 <sup>(g)</sup>
Net earnings per share:					
Basic	\$ 3.78	\$ 3.58 <sup>(a)(b)</sup>	\$ 3.69 <sup>(c)(d)*</sup>	\$ 4.81 <sup>(e)(f)</sup>	\$ 3.70 <sup>(g)(h)</sup>
Diluted	\$ 3.74	\$ 3.53 <sup>(a)(b)</sup>	\$ 3.65 <sup>(c)(d)</sup>	\$ 4.74 <sup>(e)(f)</sup>	\$ 3.63 <sup>(g)(h)</sup>
Dividends declared per share	\$ 0.64 <sup>(i)</sup>	\$ 0.56 <sup>(i)</sup>	\$ 0.57 <sup>(k)</sup>	\$ 0.54 <sup>(l)</sup>	\$ 0.40 <sup>(m)</sup>
Total assets	\$ 47,832.5	\$ 46,648.6	\$ 45,295.3	\$ 48,222.2	\$ 36,991.7
Total debt	\$ 9,740.3	\$ 10,522.1	\$ 12,269.0	\$ 12,870.4	\$ 3,473.4

- (a) Includes \$73 million (\$46 million after-tax or \$0.06 per diluted share) gain on sale of certain marketable equity securities. Refer to Note 14 to the Consolidated Financial Statements included in this Annual Report for additional information.
- (b) Includes \$146 million (\$0.21 per diluted share) of discrete tax benefits associated with the resolution of uncertain tax positions as well as the remeasurement of deferred tax assets and liabilities and the Transition Tax from the TCJA. Refer to Note 13 to the Consolidated Financial Statements included in this Annual Report for additional information.
- (c) Includes \$223 million (\$140 million after-tax or \$0.20 per diluted share) gain on sale of certain marketable equity securities. Refer to Note 14 to the Consolidated Financial Statements included in this Annual Report for additional information.
- (d) Includes \$179 million (\$112 million after-tax or \$0.16 per diluted share) loss on extinguishment of borrowings, net of certain deferred gains. Refer to Note 14 to the Consolidated Financial Statements included in this Annual Report for additional information.
- (e) Includes \$767 million after-tax gain (\$1.08 per diluted share) on disposition of the Company's communications business.
- (f) Includes \$12 million (\$8 million after-tax or \$0.01 per diluted share) gain on sale of certain marketable equity securities.
- (g) Includes \$34 million (\$26 million after-tax or \$0.04 per diluted share) gain on sale of the Company's electric vehicle systems/hybrid product line.
- (h) Includes \$123 million (\$77 million after-tax or \$0.11 per diluted share) gain on sale of certain marketable equity securities.
- (i) The Company increased its quarterly dividend rate in 2018 to \$0.16 per share.
- (j) The Company increased its quarterly dividend rate in 2017 to \$0.14 per share.
- (k) The Company increased its quarterly dividend rate in the first quarter of 2016 to \$0.16 per share and subsequently reduced its quarterly dividend rate to \$0.125 per share as a result of the Fortive Separation in the third quarter of 2016.
- (l) The Company increased its quarterly dividend rate in 2015 to \$0.135 per share.
- (m) The Company increased its quarterly dividend rate in 2014 to \$0.10 per share.
- \* Net earnings per share amount does not add due to rounding.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide a reader of Danaher's financial statements with a narrative from the perspective of Company management. The Company's MD&A is divided into five sections:

- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates
- New Accounting Standards

This discussion and analysis should be read along with Danaher's audited financial statements and related Notes thereto as of December 31, 2018 and 2017 and for each of the three years in the period ended December 31, 2018 included in this Annual Report.

### OVERVIEW

#### General

Refer to "Item 1. Business—General" for a discussion of Danaher's strategic objectives and methodologies for delivering long-term shareholder value. Danaher is a multinational business with global operations. During 2018, approximately 63% of Danaher's sales were derived from customers outside the United States. As a diversified, global business, Danaher's operations are affected by worldwide, regional and industry-specific economic and political factors. Danaher's geographic and industry diversity, as well as the range of its products, software and services, help limit the impact of any one industry or the economy of any single country on its consolidated operating results. Given the broad range of products manufactured, software and services provided and geographies served, management does not use any indices other than general economic trends to predict the overall outlook for the Company. The Company's individual businesses monitor key competitors and customers, including to the extent possible their sales, to gauge relative performance and the outlook for the future.

As a result of the Company's geographic and industry diversity, the Company faces a variety of opportunities and challenges, including rapid technological development (particularly with respect to computing, automation, artificial intelligence, mobile connectivity, communications and digitization) in most of the Company's served markets, the expansion and evolution of opportunities in high-growth markets, trends and costs associated with a global labor force, consolidation of the Company's competitors and increasing regulation. The Company operates in a highly competitive business environment in most markets, and the Company's long-term growth and profitability will depend in particular on its ability to expand its business in high-growth geographies and high-growth market segments, identify, consummate and integrate appropriate acquisitions, develop innovative and differentiated new products and services with higher gross profit margins, expand and improve the effectiveness of the Company's sales force, continue to reduce costs and improve operating efficiency and quality, and effectively address the demands of an increasingly regulated global environment. The Company is making significant investments, organically and through acquisitions, to address the rapid pace of technological change in its served markets and to globalize its manufacturing, research and development and customer-facing resources (particularly in high-growth markets) in order to be responsive to the Company's customers throughout the world and improve the efficiency of the Company's operations.

#### Business Performance

Consolidated sales for the year ended December 31, 2018 increased 8.5% as compared to 2017. While differences exist among the Company's businesses, on an overall basis, demand for the Company's products and services increased on a year-over-year basis in 2018 as compared to 2017. This demand, together with the Company's continued investments in sales growth initiatives and the other business-specific factors discussed below, contributed to year-over-year core sales growth of 6.0% (for the definition of "core sales," refer to "—Results of Operations" below). Geographically, both high-growth and developed markets contributed to year-over-year core sales growth during 2018. Core sales growth rates in high-growth markets grew at a high-single digit rate in 2018 as compared to 2017 led by strength in Asia, particularly China. High-growth markets represented approximately 31% of the Company's total sales in 2018. Core sales in developed markets grew at a mid-single digit rate in 2018 as compared to 2017 and were driven by North America and Western Europe.

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The Company's net earnings from continuing operations for the year ended December 31, 2018 totaled approximately \$2.7 billion, or \$3.74 per diluted share, compared to approximately \$2.5 billion, or \$3.50 per diluted share for the year ended December 31, 2017.

The Company recorded a net increase to beginning retained earnings of \$3 million as of January 1, 2018 due to the cumulative impact of adopting Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The impact to beginning retained earnings was primarily driven by the capitalization of certain costs to obtain a contract, primarily sales-related commissions, partially offset by the deferral of revenue for unfulfilled performance obligations. The adoption of this ASU did not have a significant impact on the Company's Consolidated Financial Statements as of and for the year ended December 31, 2018 and, as a result, comparisons of revenues and operating profit performance between periods are not affected by the adoption of this ASU. Refer to Note 2 to the accompanying Consolidated Financial Statements.

### **Acquisitions**

During 2018, the Company acquired two businesses for total consideration of approximately \$2.2 billion in cash, net of cash acquired. The businesses acquired complement existing units of the Company's Life Sciences and Environmental & Applied Solutions segments. The aggregate annual sales of these two businesses at the time of their respective acquisitions, in each case based on the company's revenues for its last completed fiscal year prior to the acquisition, were \$313 million.

For a discussion of the Company's 2017 and 2016 acquisition and disposition activity, refer to "Liquidity and Capital Resources—Investing Activities".

### **Fortive Separation and Proposed Dental Separation**

On July 2, 2016, Danaher completed the Separation of its former Test & Measurement segment, Industrial Technologies segment (excluding the product identification businesses) and retail/commercial petroleum business by distributing to Danaher stockholders on a pro rata basis all of the issued and outstanding common stock of Fortive, the entity Danaher incorporated to hold such businesses. To effect the Fortive Separation, Danaher distributed to its stockholders one share of Fortive common stock for every two shares of Danaher common stock outstanding as of June 15, 2016, the record date for the distribution.

During the second quarter of 2016, the Company received net cash distributions of approximately \$3.0 billion from Fortive as consideration for the Company's contribution of assets to Fortive in connection with the Separation ("Fortive Distribution"). Danaher used a portion of the cash distribution proceeds to repay the \$500 million aggregate principal amount of 2.3% senior unsecured notes that matured in June 2016 and to redeem approximately \$1.9 billion in aggregate principal amount of outstanding indebtedness in August 2016 (consisting of the Company's 5.625% senior unsecured notes due 2018, 5.4% senior unsecured notes due 2019 and 3.9% senior unsecured notes due 2021 (collectively the "Redeemed Notes")). Danaher also paid an aggregate of \$188 million in make-whole premiums in connection with the August 2016 redemptions, plus accrued and unpaid interest. The Company used the balance of the Fortive Distribution to fund certain of the Company's regular, quarterly cash dividends to shareholders.

The accounting requirements for reporting the Fortive Separation as a discontinued operation were met when the separation was completed. Accordingly, the accompanying Consolidated Financial Statements for all periods presented reflect this business as a discontinued operation. The Company allocated a portion of the consolidated interest expense and income to discontinued operations based on the ratio of the discontinued business' net assets to the Company's consolidated net assets. Fortive had revenues of approximately \$3.0 billion in 2016 prior to the Fortive Separation.

As a result of the Fortive Separation, the Company incurred \$48 million in Fortive Separation-related costs during the year ended December 31, 2016 which are included in earnings from discontinued operations, net of income taxes in the accompanying Consolidated Statement of Earnings. These Fortive Separation costs primarily relate to professional fees associated with preparation of regulatory filings and Separation activities within finance, tax, legal and information system functions as well as certain investment banking fees incurred upon the Fortive Separation.

In 2017, Danaher recorded a \$22 million income tax benefit related to the release of previously provided reserves associated with uncertain tax positions on certain Danaher tax returns which were jointly filed with Fortive entities. These reserves were released due to the expiration of statutes of limitations for those returns. All Fortive entity-related balances were included in the income tax benefit related to discontinued operations.

In July 2018, the Company announced its intention to spin-off its Dental business into an independent publicly-traded company. The transaction is expected to be tax-free to the Company's shareholders. The Company is targeting to complete the Dental Separation in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final

approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the IRS and receipt of other regulatory approvals.

### **Sale of Investments**

For a discussion of the Company's 2017 and 2016 sales of investments activity, refer to "Liquidity and Capital Resources—Investing Activities".

### **U.S. Tax Cuts and Jobs Act**

On December 22, 2017, the TCJA was enacted, which substantially changed the U.S. tax system, including lowering the corporate tax rate from 35.0% to 21.0% (beginning in 2018). As a result of the TCJA, the Company recognized a provisional tax liability of approximately \$1.2 billion in 2017 for the Transition Tax, which, after the application of available tax credits of approximately \$1.0 billion, is payable over a period of eight years. The net Transition Tax payable as of December 31, 2018 of approximately \$180 million is not expected to significantly impact the Company's cash flows from operations. The Company also remeasured U.S. deferred tax assets and liabilities based on the income tax rates at which the deferred tax assets and liabilities are expected to reverse in the future (generally 21.0%), resulting in an income tax benefit of approximately \$1.2 billion. In 2018, the Company recorded an additional charge related to finalizing the provisional accounting for the enactment of the TCJA of \$6 million. For further discussion of the TCJA, refer to "—Income Taxes."

### **UK's referendum decision to exit the EU ("Brexit")**

In a referendum on June 23, 2016, voters approved for the UK to exit the EU and the UK is expected to depart the EU on March 29, 2019. With the terms of the UK's withdrawal and the nature of its future relationship with the EU still being decided, the Company continues to monitor the status of the negotiations and plan for any impact. The ultimate impact of Brexit on the Company's financial results is uncertain. For additional information, refer to the "Item 1A—Risk Factors" section of this Annual Report.

## **RESULTS OF OPERATIONS**

In this report, references to the non-GAAP measure of core sales (also referred to as core revenues or sales/revenues from existing businesses) refer to sales from continuing operations calculated according to generally accepted accounting principles in the United States ("GAAP") but excluding:

- sales from acquired businesses; and
- the impact of currency translation.

References to sales or operating profit attributable to acquisitions or acquired businesses refer to sales or operating profit, as applicable, from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales and operating profit, as applicable, attributable to divested product lines not considered discontinued operations. The portion of revenue attributable to currency translation is calculated as the difference between:

- the period-to-period change in revenue (excluding sales from acquired businesses); and
- the period-to-period change in revenue (excluding sales from acquired businesses) after applying current period foreign exchange rates to the prior year period.

Core sales growth should be considered in addition to, and not as a replacement for or superior to, sales, and may not be comparable to similarly titled measures reported by other companies. Management believes that reporting the non-GAAP financial measure of core sales growth provides useful information to investors by helping identify underlying growth trends in Danaher's business and facilitating comparisons of Danaher's revenue performance with its performance in prior and future periods and to Danaher's peers. Management also uses core sales growth to measure the Company's operating and financial performance. The Company excludes the effect of currency translation from core sales because currency translation is not under management's control, is subject to volatility and can obscure underlying business trends, and excludes the effect of acquisitions and divestiture-related items because the nature, size, timing and number of acquisitions and divestitures can vary dramatically from period-to-period and between the Company and its peers and can also obscure underlying business trends and make comparisons of long-term performance difficult.

Throughout this discussion, references to sales volume refer to the impact of both price and unit sales and references to productivity improvements generally refer to improved cost efficiencies resulting from the ongoing application of DBS.

**Core Revenue**

	<u>2018 vs. 2017</u>	<u>2017 vs. 2016</u>
Total sales growth (GAAP)	8.5 %	8.5 %
Less the impact of:		
Acquisitions and other	(2.0)%	(4.5)%
Currency exchange rates	(0.5)%	(0.5)%
Core revenue growth (non-GAAP)	<u>6.0 %</u>	<u>3.5 %</u>

Core sales grew on a year-over-year basis in both 2018 and 2017. Sales from acquired businesses increased on a year-over-year basis in 2018 due primarily to the acquisition of IDT in the second quarter of 2018 and in 2017 due primarily to the acquisition of Cepheid in the fourth quarter of 2016. Currency translation increased reported sales on a year-over-year basis in 2018 primarily due to the U.S. dollar weakening against other major currencies in the first half of 2018, partially offset by the U.S. dollar strengthening in the second half of 2018. Currency translation increased reported sales on a year-over-year basis in 2017 primarily due to the U.S. dollar weakening against the euro, partially offset by the U.S. dollar strengthening against the Japanese yen and Chinese renminbi.

Operating profit margins were 17.1% for the year ended December 31, 2018 as compared to 16.3% in 2017. The following factors impacted year-over-year operating profit margin comparisons.

2018 vs. 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2018 and 2017, net of incremental year-over-year costs associated with various product development, sales and marketing growth investments and the impact of foreign exchange rates - 70 basis points
- Restructuring, impairment and other related charges related to discontinuing a product line in the second quarter of 2017 related to the Diagnostic segment - 40 basis points
- Trade name impairments and related productivity improvement initiatives in 2017 related to the Dental segment - 5 basis points

2018 vs. 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 20 basis points
- Costs incurred in the fourth quarter of 2018 related to the anticipated separation of the Dental business - 5 basis points
- Acquisition-related charges consisting of transaction costs and fair value adjustments to inventory for the acquisition of IDT in the second quarter of 2018 - 10 basis points

Operating profit margins were 16.3% for the year ended December 31, 2017 as compared to 16.2% in 2016. The following factors impacted year-over-year operating profit margin comparisons.

2017 vs. 2016 operating profit margin comparisons were favorably impacted by:

- Higher 2017 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2017 and 2016, net of incremental year-over-year costs associated with various product development, sales and marketing growth investments in 2017 - 60 basis points
- Acquisition-related charges consisting of transaction costs and fair value adjustments to inventory and deferred revenue for the acquisition of Cepheid in 2016 - 50 basis points

2017 vs. 2016 operating profit margin comparisons were unfavorably impacted by:

- Restructuring, impairment and other related charges related to discontinuing a product line in the second quarter of 2017 related to the Diagnostic segment - 40 basis points
- Trade name impairments and related productivity improvement initiatives in the fourth quarter of 2017 related to the Dental segment - 5 basis points

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- Third quarter 2016 gain on resolution of acquisition-related matters less the fourth quarter 2017 net gain on resolution of acquisition-related matters - 5 basis points
- The incremental net dilutive effect in 2017 of acquired businesses - 50 basis points

**Business Segments**

Sales by business segment for the years ended December 31 are as follows (\$ in millions):

	2018	2017	2016
Life Sciences	\$ 6,471.4	\$ 5,710.1	\$ 5,365.9
Diagnostics	6,257.6	5,839.9	5,038.3
Dental	2,844.5	2,810.9	2,785.4
Environmental & Applied Solutions	4,319.5	3,968.8	3,692.8
Total	\$ 19,893.0	\$ 18,329.7	\$ 16,882.4

**LIFE SCIENCES**

The Company's Life Sciences segment offers a broad range of research tools that scientists use to study the basic building blocks of life, including genes, proteins, metabolites and cells, in order to understand the causes of disease, identify new therapies and test new drugs and vaccines. The segment is also a leading provider of filtration, separation and purification technologies to the biopharmaceutical, food and beverage, medical, aerospace, microelectronics and general industrial sectors.

**Life Sciences Selected Financial Data**

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 6,471.4	\$ 5,710.1	\$ 5,365.9
Operating profit	1,229.3	1,004.3	818.9
Depreciation	127.4	119.0	126.8
Amortization	343.8	308.9	299.4
Operating profit as a % of sales	19.0%	17.6%	15.3%
Depreciation as a % of sales	2.0%	2.1%	2.4%
Amortization as a % of sales	5.3%	5.4%	5.6%

**Core Revenue**

	2018 vs. 2017	2017 vs. 2016
Total sales growth (GAAP)	13.5 %	6.5 %
Less the impact of:		
Acquisitions and other	(5.0)%	(2.0)%
Currency exchange rates	(1.0)%	(0.5)%
Core revenue growth (non-GAAP)	7.5 %	4.0 %

**2018 Compared to 2017**

Price increases in the segment contributed 0.5% to revenue growth on a year-over-year basis during 2018 as compared with 2017 and are reflected as a component of the change in core revenue growth.

Core sales of the business' broad range of mass spectrometers continued to grow on a year-over-year basis led by strong sales growth in high-growth markets, particularly China and the rest of Asia, and in North America. This growth was led by demand in the clinical, applied and pharmaceutical end-markets and by demand for service offerings. Core sales of microscopy products continued to grow on a year-over-year basis with growth in demand across most major end-markets partially driven by recent new product releases. Geographically, demand for microscopy products increased in North America and high-growth markets, particularly China. Year-over-year core sales for the business' flow cytometry and particle counting products

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continued to grow in 2018 across most major end-markets, led by increases in sales in North America, China and Western Europe. New product launches in 2018 also contributed to the increased demand in these markets. Core sales for filtration, separation and purification technologies grew on a year-over-year basis led by growth in biopharmaceuticals, microelectronics and fluid technology and asset protection end-markets. Geographically, core sales in filtration, separation and purification technologies were led by growth in Western Europe, North America and high-growth markets.

Sales growth from acquisitions is primarily due to the acquisition of IDT in April 2018. IDT provides additional sales and earnings growth opportunities for the segment by expanding the segment's product line diversity, including new product and service offerings in the area of genomics consumables. During 2018, IDT's revenues grew on a year-over-year basis with growth across all major geographies and product lines.

Operating profit margins increased 140 basis points during 2018 as compared to 2017. The following factors impacted year-over-year operating profit margin comparisons.

### 2018 vs. 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2018 and 2017, net of incremental year-over-year costs associated with various new product development, sales and marketing growth investments - 180 basis points
- 2018 gain on resolution of acquisition-related matters - 20 basis points

### 2018 vs. 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 35 basis points
- Acquisition-related charges consisting of transaction costs and fair value adjustments to inventory for the acquisition of IDT in the second quarter of 2018 - 25 basis points

## **2017 Compared to 2016**

During the first quarter of 2017, a product line was transferred from the Life Sciences segment to the Environmental & Applied Solutions segment. While this change is not material to segment results in total, the resulting change in sales growth has been included in the "Acquisitions and other" line in the table above.

Price increases in the segment contributed 0.5% to revenue growth on a year-over-year basis during 2017 as compared with 2016 and are reflected as a component of the change in core revenue growth.

Core sales of the business' broad range of mass spectrometers continued to grow on a year-over-year basis led by strong sales growth in the pharmaceutical market across Asia and North America as well as sales growth in the food and forensics markets across all major regions. This growth was partially offset by continuing declines in demand in the clinical market in North America. Core sales of microscopy products increased on a year-over-year basis with growth in demand across most end-markets particularly in Western Europe and the high-growth markets. Year-over-year sales for the business' flow cytometry and particle counting products grew in 2017, primarily due to new product introductions and were led by increases in sales in North America, Western Europe and China. Core sales for filtration, separation and purification technologies grew on a year-over-year basis led by continued growth in biopharmaceuticals and microelectronics, partially offset by declines in the process, industrial and medical products particularly in the first half of 2017. Geographically, core sales in filtration, separation and purification technologies were primarily led by growth in North America and Asia, partially offset by declines in the Middle East largely due to a major project in 2016 which did not repeat in 2017.

Operating profit margins increased 230 basis points during 2017 as compared to 2016. The following factors impacted year-over-year operating profit margin comparisons.

### 2017 vs. 2016 operating profit margin comparisons were favorably impacted by:

- Higher 2017 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2017 and 2016, net of incremental year-over-year costs associated with various product development, sales and marketing growth investments and the effect of year-over-year changes in currency exchange rates - 205 basis points
- Acquisition-related charges including transaction costs deemed significant, change in control and restructuring payments, and fair value adjustment to acquired inventory and deferred revenue - 10 basis points



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- The incremental net accretive effect in 2017 of acquired businesses and intersegment product line transfers - 20 basis points

### 2017 vs. 2016 operating profit margin comparisons were unfavorably impacted by:

- Fourth quarter 2017 loss on resolution of acquisition-related matters - 5 basis points

## DIAGNOSTICS

The Company's Diagnostics segment offers analytical instruments, reagents, consumables, software and services that hospitals, physicians' offices, reference laboratories and other critical care settings use to diagnose disease and make treatment decisions.

### Diagnostics Selected Financial Data

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 6,257.6	\$ 5,839.9	\$ 5,038.3
Operating profit	1,073.8	871.6	786.4
Depreciation	379.2	368.1	332.1
Amortization	209.8	213.4	149.4
Operating profit as a % of sales	17.2%	14.9%	15.6%
Depreciation as a % of sales	6.1%	6.3%	6.6%
Amortization as a % of sales	3.4%	3.7%	3.0%

### Core Revenue

	2018 vs. 2017	2017 vs. 2016
Total sales growth (GAAP)	7.0 %	16.0 %
Less the impact of:		
Acquisitions and other	— %	(12.0)%
Currency exchange rates	(0.5)%	— %
Core revenue growth (non-GAAP)	6.5 %	4.0 %

### 2018 Compared to 2017

Price in the segment negatively impacted sales growth by 0.5% on a year-over-year basis during 2018 as compared with 2017 and is reflected as a component of the change in core revenue growth.

Core sales in the molecular diagnostics business increased on a year-over-year basis, driven by strong growth in both developed and high-growth markets. The molecular diagnostics business experienced particularly strong growth in the infectious disease product line driven in part by the severity of the flu season during the first quarter of 2018. Core sales in the clinical lab business increased on a year-over-year basis due to increased demand in the high-growth markets, led by China, partially offset by lower sales in Western Europe. The increased demand in the clinical lab business was driven by the immunoassay product line. Core sales in the acute care diagnostic business increased, driven by continued strong sales of blood gas and immunoassay product lines across most major geographies, led by the high-growth markets. Core sales in the pathology diagnostics business increased across most major geographies, led by North America, Western Europe and China. Demand for new products in the advanced staining and core histology product lines drove the increased core sales in the pathology diagnostics business.

Operating profit margins increased 230 basis points during 2018 as compared to 2017. The following factors impacted year-over-year operating profit margin comparisons.

### 2018 vs. 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2018 and 2017, net of incremental year-over-year costs

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associated with various new product development, sales and marketing growth investments and the effect of year-over-year changes in currency exchange rates - 125 basis points

- Restructuring, impairment and other related charges related to discontinuing a product line in 2017 - 130 basis points

### 2018 vs. 2017 operating profit margin comparisons were unfavorably impacted by:

- 2017 gain on resolution of acquisition-related matters - 25 basis points

### **2017 Compared to 2016**

Price increases in the segment contributed 0.5% to sales growth on a year-over-year basis during 2017 as compared with 2016 and are reflected as a component of the change in core revenue growth.

Core sales in the clinical lab business increased on a year-over-year basis. Geographically, continued strong demand in high-growth markets for the clinical lab business was partially offset by declines in Western Europe and Japan. Increased demand in the immunoassay product line drove the majority of the growth for the year in the clinical lab business. Growth in the acute care diagnostic business was driven by continued strong consumable sales in 2017 across most major geographies. Increased demand for advanced staining and core histology instruments and related consumables across most major geographies drove the majority of the year-over-year core sales growth in the pathology diagnostics business.

The acquisition of Cepheid in November 2016 contributed the majority of the increase in sales from acquisitions. During 2017, Cepheid's revenues compared to the business' 2016 results grew on a year-over-year basis in most major geographies and product lines. As Cepheid is integrated into the Company, a process that will continue over the next several years, the Company has realized and expects to realize cost savings and other business process improvements through the application of DBS.

During 2017, the Company made the strategic decision to discontinue a molecular diagnostic product line in its Diagnostics segment. As a result, the Company recorded \$76 million of pretax restructuring, impairment and other related charges (\$51 million after-tax or \$0.07 per diluted share). These charges included \$49 million of noncash charges for the impairment of certain technology-related intangible assets as well as related inventory and property, plant and equipment with no further use. In addition, the Company incurred \$27 million of cash restructuring costs primarily related to employee severance and related charges. Substantially all restructuring activities related to this discontinued product line were completed in 2017.

Operating profit margins declined 70 basis points during 2017 as compared to 2016. The following factors impacted year-over-year operating profit margin comparisons.

### 2017 vs. 2016 operating profit margin comparisons were favorably impacted by:

- Higher 2017 sales volumes from existing businesses and incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2017 and 2016, net of incremental year-over-year costs associated with various new product development, sales and marketing growth investments and the effect of year-over-year changes in currency exchange rates - 35 basis points
- Acquisition-related charges in 2016 associated with the acquisition of Cepheid, including transaction costs deemed significant, change in control and restructuring payments, and fair value adjustments to acquired inventory and deferred revenue - 150 basis points
- 2017 gain on resolution of acquisition-related matters - 25 basis points

### 2017 vs. 2016 operating profit margin comparisons were unfavorably impacted by:

- Restructuring, impairment and other related charges related to discontinuing a product line in 2017 - 130 basis points
- The incremental net dilutive effect in 2017 of acquired businesses - 150 basis points

Depreciation and amortization increased during 2017 as compared with 2016 primarily due to the impact of recently acquired businesses, primarily Cepheid, and the resulting increase in depreciable and amortizable assets.

### **DENTAL**

The Company's Dental segment offers products and services that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. With leading brand names,

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innovative technology and significant market positions, the Company is a leading worldwide provider of a broad range of dental consumables, equipment and services, and is dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity.

**Dental Selected Financial Data**

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 2,844.5	\$ 2,810.9	\$ 2,785.4
Operating profit	346.7	400.7	419.4
Depreciation	39.4	39.7	43.8
Amortization	90.6	81.7	83.4
Operating profit as a % of sales	12.2%	14.3%	15.1%
Depreciation as a % of sales	1.4%	1.4%	1.6%
Amortization as a % of sales	3.2%	2.9%	3.0%

**Core Revenue**

	2018 vs. 2017	2017 vs. 2016
Total sales growth (GAAP)	1.0 %	1.0 %
Less the impact of:		
Currency exchange rates	(0.5)%	(1.0)%
Core revenue growth (non-GAAP)	0.5 %	— %

**2018 Compared to 2017**

Price in the segment negatively impacted sales growth by 0.5% on a year-over-year basis during 2018 as compared with 2017 and is reflected as a component of the change in core revenue growth.

Geographically, year-over-year core revenue growth was driven by growth in the high-growth markets, primarily China and Russia, which was partially offset by declines in North America and Western Europe. Core revenue growth for the specialty consumables business, which consists of implant solutions and orthodontic products, was led by the high-growth markets, primarily China, and North America. Dental equipment and traditional dental consumables core sales declined during 2018, primarily due to declines in North America, offset partially by growth in the high-growth markets, primarily China and Russia. Lower core sales of dental equipment and traditional dental consumables product lines in North America partially offset the core revenue growth in the specialty consumables business, primarily reflecting the impact of inventory reductions at several distribution partners as well as the impact from realignment of distributors and manufacturers in the dental industry. The Company has begun to see stability in the North America end-markets for dental equipment and traditional dental consumables.

Operating profit margins declined 210 basis points during 2018 as compared to 2017. The following factors impacted year-over-year operating profit margin comparisons.

2018 vs. 2017 operating profit margin comparisons were favorably impacted by:

- Trade name impairments and related productivity improvement initiatives in 2017 - 45 basis points

2018 vs. 2017 operating profit margin comparisons were unfavorably impacted by:

- Lower 2018 core sales volumes of traditional dental equipment and consumables, incremental year-over-year costs associated with sales and marketing growth investments, lower overall pricing, and the effect of year-over-year changes in currency exchange rates, net of incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2018 and 2017 and higher sales volumes in specialty consumables - 245 basis points
- The incremental net dilutive effect in 2018 of acquired businesses - 10 basis points

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In July 2018, the Company announced its intention to spin-off its Dental business into an independent publicly-traded company. The transaction is expected to be tax-free to the Company's shareholders. The Company is targeting to complete the Dental Separation in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the IRS and receipt of other regulatory approvals.

### 2017 Compared to 2016

Price increases in the segment did not have a significant impact on sales growth on a year-over-year basis during 2017 as compared with 2016.

Geographically, year-over-year core revenue growth was strong in China, Russia and other high-growth markets, offset by lower demand in the United States and Western Europe. Strong year-over-year growth continued during 2017 for the specialty consumables business, which consists of implant solutions and orthodontic products. Core sales growth for the specialty consumables business was led by high-growth markets and North America. Dental equipment core sales were essentially flat during 2017, as increased demand in high-growth markets was offset by weaker demand in the United States and Western Europe, particularly later in the year for North America due to the realignment of dental equipment distributors and manufacturers. Demand was lower for traditional dental consumable product lines in North America and Western Europe reflecting inventory destocking by several distribution partners.

Operating profit margins declined 80 basis points during 2017 as compared to 2016. The following factors unfavorably impacted year-over-year operating profit margin comparisons:

- Incremental year-over-year costs associated with various new product development, sales and marketing growth investments, the effect of year-over-year changes in currency exchange rates and unfavorable product mix due to lower sales of dental consumables in 2017, net of incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2017 and 2016 - 35 basis points
- Trade name impairments and related productivity improvement initiatives in 2017 - 35 basis points
- The incremental net dilutive effect in 2017 of acquired businesses - 10 basis points

### ENVIRONMENTAL & APPLIED SOLUTIONS

The Company's Environmental & Applied Solutions segment offers products and services that help protect important resources and keep global food and water supplies safe. The Company's water quality business provides instrumentation, services and disinfection systems to help analyze, treat and manage the quality of ultra-pure, potable, industrial, waste, ground, source and ocean water in residential, commercial, municipal, industrial and natural resource applications. The Company's product identification business provides equipment, software, services and consumables for various color and appearance management, packaging design and quality management, packaging converting, printing, marking, coding and traceability applications for consumer, pharmaceutical and industrial products.

#### Environmental & Applied Solutions Selected Financial Data

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 4,319.5	\$ 3,968.8	\$ 3,692.8
Operating profit	988.0	914.6	870.0
Depreciation	47.0	43.4	35.8
Amortization	62.0	56.5	50.9
Operating profit as a % of sales	22.9%	23.0%	23.6%
Depreciation as a % of sales	1.1%	1.1%	1.0%
Amortization as a % of sales	1.4%	1.4%	1.4%

**Core Revenue**

	2018 vs. 2017	2017 vs. 2016
Total sales growth (GAAP)	9.0 %	7.5 %
Less the impact of:		
Acquisitions and other	(2.0)%	(3.0)%
Currency exchange rates	(1.0)%	(0.5)%
Core revenue growth (non-GAAP)	6.0 %	4.0 %

**2018 Compared to 2017**

Price increases in the segment contributed 1.5% to sales growth on a year-over-year basis during 2018 as compared with 2017 and are reflected as a component of the change in core revenue growth.

Core sales in the segment's water quality businesses grew at a high-single digit rate during 2018 as compared with 2017. Year-over-year core sales in the analytical instrumentation product line increased, led by continued demand in the industrial and municipal end-markets. Geographically, year-over-year core revenue growth in the analytical instrumentation product line was driven by increased demand across all major geographies, led by China, North America and Western Europe. Year-over-year core revenue growth in the business' chemical treatment solutions product line was driven by demand in the commercial and industrial, mining and primary metals end-markets. Geographically, year-over-year core revenue growth in the chemical treatment solutions product line was driven by North America and Latin America. Core sales in the business' ultraviolet water disinfection product line grew on a year-over-year basis due primarily to demand in the municipal and consumer end-markets. Geographically, year-over-year core revenue growth in the ultraviolet water disinfection product line was led by North America and China, partially offset by softer demand in Western Europe.

Core sales in the segment's product identification businesses grew at a mid-single digit rate during 2018 as compared with 2017. Year-over-year core revenue growth for marking and coding equipment and related consumables was driven by demand across all major end-markets and in all major geographies, particularly Western Europe, North America and high-growth markets. Demand for the business' packaging and color solutions decreased slightly year-over-year. Geographically, core sales for packaging and color solutions decreased in North America and high-growth markets, partially offset by increased demand in Western Europe.

Operating profit margins declined 10 basis points during 2018 as compared to 2017. The following factors impacted year-over-year operating profit margin comparisons:

2018 vs. 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 sales volumes, incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2018 and 2017, and improved pricing, net of incremental year-over-year costs associated with various new product development and sales and marketing growth investments - 35 basis points

2018 vs. 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 45 basis points

**2017 Compared to 2016**

During the first quarter of 2017, a product line was transferred from the Life Sciences segment to the Environmental & Applied Solutions segment. While this change is not material to segment results in total, the resulting change in sales growth has been included in the "Acquisitions and other" line in the table above.

Price increases in the segment contributed 1.0% to sales growth on a year-over-year basis during 2017 as compared with 2016 and are reflected as a component of the change in core revenue growth.

Core sales in the segment's water quality businesses grew at a low-single digit rate during 2017 as compared with 2016. Year-over-year core sales in the analytical instrumentation product line grew, as increased demand in the industrial and municipal end-markets was partially offset by lower demand in the environmental end-markets. Geographically, year-over-year core revenue growth in the analytical instrumentation product line was driven by increased demand in China, Western Europe and North America, partially offset by lower demand in the Middle East and Latin America. Year-over-year core revenue growth in the business' chemical treatment solutions product line was due primarily to an expansion of the customer base in the United

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States, driven by higher demand in food, steel and oil and gas-related end-markets. Core sales in the business' ultraviolet water disinfection product line grew on a year-over-year basis due primarily to higher demand in municipal and industrial end-markets in North America, Western Europe and Asia.

Core sales in the segment's product identification businesses grew at a mid-single digit rate during 2017 as compared with 2016. Continued strong year-over-year demand for marking and coding equipment and related consumables in most major geographies, led by North America and Western Europe, drove the majority of the core revenue growth. Demand for the business' packaging and color solutions also increased year-over-year. Geographically, core revenue growth for packaging and color solutions was led by North America, Western Europe and Asia.

Operating profit margins declined 60 basis points during 2017 as compared to 2016. The following factors impacted year-over-year operating profit margin comparisons:

### 2017 vs. 2016 operating profit margin comparisons were favorably impacted by:

- Higher 2017 sales volumes, incremental year-over-year cost savings associated with the continuing productivity improvement initiatives taken in 2017 and 2016, improved pricing and the effect of year-over-year changes in currency exchange rates, net of incremental year-over-year costs associated with various new product development and sales and marketing growth investments - 5 basis points

### 2017 vs. 2016 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2017 of acquired businesses - 65 basis points

## **COST OF SALES AND GROSS PROFIT**

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 19,893.0	\$ 18,329.7	\$ 16,882.4
Cost of sales	(8,785.9)	(8,137.2)	(7,547.8)
Gross profit	\$ 11,107.1	\$ 10,192.5	\$ 9,334.6
Gross profit margin	55.8%	55.6%	55.3%

The year-over-year increase in cost of sales during 2018 as compared with 2017 is due primarily to the impact of higher year-over-year sales volumes, including sales from recently acquired businesses, partially offset by incremental year-over-year cost savings associated with the continued productivity improvement actions taken in 2018 and 2017 and charges associated with the Company's strategic decision to discontinue a product line in its Diagnostics segment in 2017. Cost of goods sold also increased as a result of tariffs in 2018, and tariffs are estimated to have a modest impact on cost of goods sold in 2019.

The year-over-year increase in cost of sales during 2017 as compared with 2016, is due primarily to the impact of higher year-over-year sales volumes, including sales from recently acquired businesses and the impact of restructuring, impairment and other related charges associated with the Company's strategic decision to discontinue a product line in its Diagnostics segment. This increase in cost of sales was partially offset by year-over-year cost savings at recently acquired businesses, incremental year-over-year cost savings associated with the continued productivity improvement actions taken in 2017 and 2016, and the year-over-year decrease in acquisition-related charges associated with fair value adjustments to acquired inventory which decreased cost of sales by \$21 million during 2017 as compared to 2016.

The year-over-year increase in gross profit margins during 2018 as compared with 2017 is due primarily to the favorable impact of higher year-over-year sales volumes, including sales from recently acquired businesses, increased leverage of certain manufacturing costs and incremental year-over-year cost savings associated with the continuing productivity improvements taken in 2018 and 2017. Gross margin improvements were partially offset by the impact of foreign exchange rates in 2018.

The year-over-year increase in gross profit margins during 2017 as compared with 2016 is due primarily to the favorable impact of higher year-over-year sales volumes, incremental year-over-year cost savings associated with the continuing productivity improvements taken in 2017 and 2016. In addition, the acquisition-related charges associated with fair value adjustments to acquired inventory and deferred revenue were higher in 2016 than 2017, which improved gross profit margins by 10 basis points during 2017 as compared with 2016.

**OPERATING EXPENSES**

(\$ in millions)	For the Year Ended December 31		
	2018	2017	2016
Sales	\$ 19,893.0	\$ 18,329.7	\$ 16,882.4
Selling, general and administrative (“SG&A”) expenses	(6,472.1)	(6,073.3)	(5,624.3)
Research and development (“R&D”) expenses	(1,231.2)	(1,128.8)	(975.1)
SG&A as a % of sales	32.5%	33.1%	33.3%
R&D as a % of sales	6.2%	6.2%	5.8%

SG&A expenses as a percentage of sales declined 60 basis points on a year-over-year basis for 2018 compared with 2017. The decline was driven by increased leverage of the Company’s general and administrative cost base resulting from higher 2018 sales volumes, continuing productivity improvements taken in 2018 and 2017, and the impact of the restructuring, impairment and other related charges incurred in 2017 associated with the Company’s strategic decision to discontinue a product line in its Diagnostics segment. The decline in SG&A expenses as a percentage of sales was partially offset by higher relative spending levels at recently acquired companies and continued investments in sales and marketing growth initiatives.

SG&A expenses as a percentage of sales declined 20 basis points on a year-over-year basis for 2017 compared with 2016. The decline was driven by increased leverage of the Company’s general and administrative cost base resulting from higher 2017 sales volumes, continuing productivity improvements taken in 2017 and 2016 as well as the benefit of lower acquisition charges in 2017 compared to 2016, particularly change in control payments and restructuring costs in connection with the acquisition of Cepheid. The decline in SG&A expenses as a percentage of sales was partially offset by restructuring, impairment and other related charges associated with the Company’s strategic decision to discontinue a product line in its Diagnostics segment, higher relative spending levels at recently acquired companies, primarily Cepheid, and continued investments in sales and marketing growth initiatives.

R&D expenses (consisting principally of internal and contract engineering personnel costs) as a percentage of sales remained consistent in 2018 as compared with 2017 as year-over-year increases in spending in the Company’s new product development initiatives corresponded to the increase in sales. R&D expenses as a percentage of sales increased in 2017 as compared to 2016 due primarily to higher R&D expenses as a percentage of sales in the businesses most recently acquired, primarily Cepheid, as well as year-over-year increases in spending in the Company’s new product development initiatives.

**NONOPERATING INCOME (EXPENSE)**

As described in Note 1 and Note 11, in the first quarter of 2018, the Company adopted ASU No. 2017-07, *Compensation— Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The ASU requires the Company to disaggregate the service cost component from the other components of net periodic benefit costs and requires the Company to present the other components of net periodic benefit cost in other income, net. The ASU also requires application on a retrospective basis. The other components of net periodic benefit costs included in other income, net for the years ended December 31, 2018, 2017 and 2016 were net gains of \$37 million, \$31 million and \$16 million, respectively.

During 2017, the Company received \$138 million of cash proceeds and recorded \$22 million in short-term other receivables from the sale of certain marketable equity securities during 2017. The Company recorded a pretax gain related to this sale of \$73 million (\$46 million after-tax or \$0.06 per diluted share).

During 2016, the Company received cash proceeds of \$265 million from the sale of certain marketable equity securities and recorded a pretax gain related to this sale of \$223 million (\$140 million after-tax or \$0.20 per diluted share).

During 2016, the Company also paid \$188 million of make-whole premiums associated with the early extinguishment of the Redeemed Notes. The Company recorded a loss on extinguishment of these borrowings, net of certain deferred gains, of \$179 million (\$112 million after-tax or \$0.16 per diluted share).

**INTEREST COSTS**

Interest expense of \$157 million for 2018 was \$5 million lower than in 2017, due primarily to the decrease in interest costs as a result of the repayment of certain outstanding borrowings in the third quarter of 2018 and the second and fourth quarters of 2017, lower average outstanding U.S. commercial paper borrowings during 2018 compared to 2017, and the impact of foreign currency exchange rates in 2018 as compared to 2017, partially offset by the cost of additional non-U.S. debt issued during



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2017. For a further description of the Company's debt as of December 31, 2018 refer to Note 10 to the Consolidated Financial Statements. Interest expense of \$163 million in 2017 was \$21 million lower than the 2016 interest expense of \$184 million due primarily to the decrease in interest costs as a result of the early extinguishment of certain outstanding borrowings in the third quarter of 2016 using the proceeds from the Fortive Distribution and lower commercial paper borrowings in 2017 compared to 2016, partially offset by the cost of additional long-term debt refinancing relating to the acquisition of Cepheid.

In January 2019, the Company entered into approximately \$1.9 billion of cross-currency swap derivative contracts on its U.S. dollar-denominated bonds to effectively convert the Company's U.S. dollar-denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc. Based on the interest rates of the swaps and current currency exchange rates, the Company expects these contracts to effectively reduce the Company's interest expense in 2019 by approximately \$35 million versus the stated interest rates on the U.S. dollar denominated debt.

## INCOME TAXES

### General

Income tax expense and deferred tax assets and liabilities reflect management's assessment of future taxes expected to be paid on items reflected in the Company's Consolidated Financial Statements. The Company records the tax effect of discrete items and items that are reported net of their tax effects in the period in which they occur.

The Company's effective tax rate can be affected by changes in the mix of earnings in countries with different statutory tax rates (including as a result of business acquisitions and dispositions), changes in the valuation of deferred tax assets and liabilities, accruals related to contingent tax liabilities and period-to-period changes in such accruals, the results of audits and examinations of previously filed tax returns (as discussed below), the expiration of statutes of limitations, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities and changes in tax laws and regulations, including the TCJA and legislative policy changes that may result from the OECD's initiative on Base Erosion and Profit Shifting. For a description of the tax treatment of earnings that are planned to be reinvested indefinitely outside the United States, refer to "—Liquidity and Capital Resources—Cash and Cash Requirements" below.

The amount of income taxes the Company pays is subject to ongoing audits by federal, state and foreign tax authorities, which often result in proposed assessments. Management performs a comprehensive review of its global tax positions on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions and the expiration of statutes of limitations, reserves for contingent tax liabilities are accrued or adjusted as necessary. For a discussion of risks related to these and other tax matters, refer to "Item 1A. Risk Factors".

On December 22, 2017, the TCJA was enacted, substantially changing the U.S. tax system and affecting the Company in a number of ways. Notably, the TCJA:

- established a flat corporate income tax rate of 21.0% on U.S. earnings;
- imposed a one-time tax on unremitted cumulative non-U.S. earnings of foreign subsidiaries, which we refer to in this Annual Report as the Transition Tax;
- imposes a new minimum tax on certain non-U.S. earnings, irrespective of the territorial system of taxation, and generally allows for the repatriation of future earnings of foreign subsidiaries without incurring additional U.S. taxes by transitioning to a territorial system of taxation;
- subjects certain payments made by a U.S. company to a related foreign company to certain minimum taxes (Base Erosion Anti-Abuse Tax);
- eliminated certain prior tax incentives for manufacturing in the United States and creates an incentive for U.S. companies to sell, lease or license goods and services abroad by allowing for a reduction in taxes owed on earnings related to such sales;
- allows the cost of investments in certain depreciable assets acquired and placed in service after September 27, 2017 to be immediately expensed; and
- reduces deductions with respect to certain compensation paid to specified executive officers.

While the changes from the TCJA were generally effective beginning in 2018, GAAP accounting for income taxes requires the effect of a change in tax laws or rates to be recognized in income from continuing operations for the period that includes the enactment date. Due to the complexities involved in accounting for the enactment of the TCJA, SEC Staff Accounting Bulletin No. 118 ("SAB No. 118") allowed the Company to record provisional amounts in earnings for the year ended December 31,



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2017. Where reasonable estimates could be made, the provisional accounting was based on such estimates. When no reasonable estimate could be made, SAB No. 118 required the accounting to be based on the tax law in effect before the TCJA. The Company was required to complete its tax accounting for the TCJA when it had obtained, prepared and analyzed the information to complete the income tax accounting but no later than December 22, 2018.

Accordingly, during 2018, the Company completed its accounting for the tax effects of the enactment of the TCJA based on the Company's interpretation of the new tax regulations and related guidance issued by the U.S. Department of the Treasury and the IRS.

- The Transition Tax is based on the Company's post-1986 earnings and profits that were previously deferred from U.S. income taxes. In the year ended December 31, 2017, the Company recorded a provision amount for the Transition Tax expense resulting in an increase in income tax expense of approximately \$1.2 billion. During 2018, the Company finalized the calculations of the Transition Tax liability and increased the provisional amount recorded in 2017 by \$40 million, with the increase included as a component of income tax expense from continuing operations in 2018. Regulations allow the Company to reduce the Transition Tax payable by applying available foreign tax credits and other tax attributes. The Company has elected to pay the net Transition Tax payable over an eight-year period as permitted by the TCJA. As of December 31, 2018, the remaining Transition Tax balance to be paid over the next seven years is approximately \$180 million.
- In connection with finalizing the calculation of tax credits available to reduce the Transition Tax and other U.S. taxable income, the Company recorded an additional provision of \$13 million related to net unrealizable credits which is included as a component of income tax expense from continuing operations in 2018.
- U.S. deferred tax assets and liabilities were remeasured as of December 31, 2017 based upon the tax rates at which the assets and liabilities are expected to reverse in the future, which is generally 21.0%, resulting in an income tax benefit of approximately \$1.2 billion in 2017. Upon finalizing the provisional accounting for the remeasurement of U.S. deferred tax assets and liabilities in 2018, the Company recorded an additional tax benefit of \$47 million, which is included as a component of income tax expense from continuing operations.
- The TCJA imposes tax on U.S. shareholders for global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company is required to make an accounting policy election of either: (1) treating taxes due on future amounts included in U.S. taxable income related to GILTI as a current period tax expense when incurred (the "period cost method"); or (2) factoring such amounts into the Company's measurement of its deferred tax expense (the "deferred method"). As of December 31, 2017, the Company was still analyzing its global income and did not record a GILTI-related deferred tax amount. In 2018, the Company elected the period cost method for its accounting for GILTI.

Due to the complexity and recent issuance of these tax regulations, management's interpretations of the impact of these rules could be subject to challenge by the taxing authorities.

### Year-Over-Year Changes in the Tax Provision and Effective Tax Rate

	Year Ended December 31		
	2018	2017	2016
Effective tax rate from continuing operations	19.5%	16.0%	17.5%

The Company's effective tax rate for 2018, 2017 and 2016 differs from the U.S. federal statutory rates of 21.0% for 2018 and 35.0% for 2017 and 2016, due principally to the Company's earnings outside the United States that are indefinitely reinvested and taxed at rates different than the U.S. federal statutory rate. In addition:

- The effective tax rate of 19.5% in 2018 includes 70 basis points of tax benefits primarily related to the release of reserves upon the expiration of statutes of limitation, audit settlements and release of valuation allowance in a certain foreign tax jurisdiction. These tax benefits were partially offset by additional provisions related to completing the accounting for the enactment of the TCJA as summarized above and tax costs directly related to reorganization activities associated with preparing for the Dental Separation.
- The effective tax rate of 16.0% in 2017 includes 500 basis points of net tax benefits due to the revaluation of deferred tax liabilities from 35.0% to 21.0% due to the TCJA and the release of reserves upon statute of limitation expiration, partially offset by income tax expense related to the Transition Tax on foreign earnings due to the TCJA and changes in estimates associated with prior period uncertain tax positions.

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- The effective tax rate of 17.5% in 2016 includes 350 basis points of net tax benefits from permanent foreign exchange losses and the release of reserves upon the expiration of statutes of limitation and audit settlements, partially offset by income tax expense related to repatriation of earnings and legal entity realignments associated with the Fortive Separation and changes in estimates associated with prior period uncertain tax positions.

The Company conducts business globally, and files numerous consolidated and separate income tax returns in the U.S. federal, state and foreign jurisdictions. The non-U.S. countries in which the Company has a significant presence include China, Denmark, Germany, Singapore, Switzerland and the United Kingdom. The Company believes that a change in the statutory tax rate of any individual foreign country would not have a material effect on the Company's Consolidated Financial Statements given the geographic dispersion of the Company's taxable income.

The Company and its subsidiaries are routinely examined by various domestic and international taxing authorities. The IRS has completed substantially all of the examinations of the Company's federal income tax returns through 2011 and is currently examining certain of the Company's federal income tax returns for 2012 through 2015. In addition, the Company has subsidiaries in Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Hong Kong, India, Italy, Japan, New Zealand, Sweden, Switzerland, the United Kingdom and various other countries, states and provinces that are currently under audit for years ranging from 2004 through 2017.

In the fourth quarter of 2018, the IRS proposed significant adjustments to the Company's taxable income for the years 2012 through 2015 with respect to the deferral of tax on certain premium income related to the Company's self-insurance programs. The proposed adjustments would increase the Company's taxable income over the 2012 through 2015 period by approximately \$960 million. In addition, as of December 31, 2018, the IRS has notified the Company that it is considering additional taxable income adjustments related to other aspects of the Company's self-insurance programs for the years 2012 through 2015. These additional proposed adjustments would increase the Company's taxable income by approximately \$1.7 billion. Management believes the positions the Company has taken in its U.S. tax returns are in accordance with the relevant tax laws, intends to vigorously defend these positions and is currently considering all of its alternatives. Due to the enactment of the TCJA in 2017 and the resulting reduction in the U.S. corporate tax rate for years after 2017, the Company revalued its deferred tax liabilities related to the temporary differences associated with this deferred premium income from 35.0% to 21.0%. If the Company is not successful in defending these assessments, the taxes owed to the IRS may be computed under the previous 35.0% statutory tax rate and the Company may be required to revalue the related deferred tax liabilities from 21.0% to 35.0%, which in addition to any interest due on the amounts assessed, would require a charge to future earnings. The ultimate resolution of this matter is uncertain, could take many years and could result in a material adverse impact to the Company's Consolidated Financial Statements, including its cash flows and effective tax rate.

Tax authorities in Denmark have raised significant issues related to interest accrued by certain of the Company's subsidiaries. On December 10, 2013, the Company received assessments from the Danish tax authority ("SKAT") totaling approximately DKK 1.6 billion (approximately \$247 million based on exchange rates as of December 31, 2018) including interest through December 31, 2018, imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company's subsidiaries for the years 2004 through 2009. The Company is currently in discussions with SKAT and anticipates receiving an assessment for years 2010 through 2012 totaling approximately DKK 954 million (approximately \$146 million based on exchange rates as of December 31, 2018) including interest through December 31, 2018. Management believes the positions the Company has taken in Denmark are in accordance with the relevant tax laws and is vigorously defending its positions. The Company appealed these assessments with the National Tax Tribunal in 2014 and intends on pursuing this matter through the European Court of Justice should this appeal be unsuccessful. The ultimate resolution of this matter is uncertain, could take many years, and could result in a material adverse impact to the Company's Consolidated Financial Statements, including its cash flows and effective tax rate.

After considering the effect of the TCJA, the Company expects its 2019 effective tax rate to be approximately 19.5%. Any future legislative changes in the United States including new regulations related to the TCJA or potential tax reform in other jurisdictions, could cause the Company's effective tax rate to differ from this estimate. Refer to Note 13 to the Consolidated Financial Statements for additional information related to income taxes.

## **DISCONTINUED OPERATIONS**

As further discussed in Note 4 to the Consolidated Financial Statements, discontinued operations include the results of the Fortive businesses which were disposed of during the third quarter of 2016.

In 2017, Danaher recorded a \$22 million income tax benefit related to the release of previously provided reserves associated with uncertain tax positions on certain Danaher tax returns which were jointly filed with Fortive entities. These reserves were released due to the expiration of statutes of limitations for those returns. All Fortive entity-related balances were included in

the income tax benefit related to discontinued operations.

In 2016, earnings from discontinued operations, net of income taxes, were \$400 million and reflected the operating results of the Fortive businesses prior to the Fortive Separation.

#### **COMPREHENSIVE INCOME**

Comprehensive income decreased by approximately \$1.5 billion in 2018 as compared to 2017, primarily due to a loss from foreign currency translation adjustments in 2018 compared to a gain in 2017 and a loss from pension and postretirement plan benefit adjustments as compared to a gain in 2017, partially offset by higher net earnings from continuing operations and a decrease in unrealized losses on available-for-sale securities in 2018 compared to 2017. The Company recorded a foreign currency translation loss of \$632 million for 2018 compared to a translation gain of \$976 million for 2017. The Company recorded a pension and postretirement plan benefit loss of \$13 million for 2018 compared to a gain of \$71 million for 2017. These negative impacts were partially offset by higher net earnings in 2018 compared to 2017.

Comprehensive income increased by approximately \$1.7 billion in 2017 as compared to 2016, primarily due to increased earnings from continuing operations, an increased gain from foreign currency translation adjustments compared to 2016, pension and postretirement plan benefit adjustments and the decrease in unrealized losses on available-for-sale securities, partially offset by lower net earnings attributable to discontinued operations in 2017 compared to 2016. The Company recorded a foreign currency translation gain of \$976 million for 2017 compared to a translation loss of \$517 million for 2016. The Company recorded a pension and postretirement plan benefit gain of \$71 million in 2017 compared to a loss of \$58 million in 2016.

#### **INFLATION**

The effect of inflation on the Company's revenues and net earnings was not significant in any of the years ended December 31, 2018, 2017 or 2016.

#### **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed to market risk from changes in interest rates, foreign currency exchange rates, equity prices and commodity prices as well as credit risk, each of which could impact its Consolidated Financial Statements. The Company generally addresses its exposure to these risks through its normal operating and financing activities. The Company may periodically use derivative financial instruments to manage foreign exchange risks. In addition, the Company's broad-based business activities help to reduce the impact that volatility in any particular area or related areas may have on its operating profit as a whole.

##### **Interest Rate Risk**

The Company manages interest cost using a mixture of fixed-rate and variable-rate debt. A change in interest rates on long-term debt impacts the fair value of the Company's fixed-rate long-term debt but not the Company's earnings or cash flow because the interest on such debt is fixed. Generally, the fair market value of fixed-rate debt will increase as interest rates fall and decrease as interest rates rise. As of December 31, 2018, an increase of 100 basis points in interest rates would have decreased the fair value of the Company's fixed-rate long-term debt (excluding the LYONs, which have not been included in this calculation as the value of this convertible debt is primarily derived from the value of its underlying common stock) by \$460 million.

As of December 31, 2018, the Company's variable-rate debt obligations consisted primarily of U.S. dollar and euro-based commercial paper borrowings (refer to Note 10 to the Consolidated Financial Statements for information regarding the Company's outstanding commercial paper balances as of December 31, 2018). As a result, the Company's primary interest rate exposure results from changes in short-term interest rates. As these shorter duration obligations mature, the Company may issue additional short-term commercial paper obligations to refinance all or part of these borrowings. In 2018, the average annual interest rate associated with outstanding commercial paper borrowings was approximately negative 18 basis points. A hypothetical increase of this average to negative eight basis points would have increased the Company's annual interest expense by \$3 million. The hypothetical increase used is the actual amount by which the Company's commercial paper interest rates fluctuated during 2018.

In January 2019, the Company entered into approximately \$1.9 billion of cross-currency swap derivative contracts on its U.S. dollar denominated bonds to effectively convert the Company's U.S. dollar denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc. Based on the interest rates of the swaps and current currency exchange

rates, the Company expects these contracts to reduce the Company's interest expense in 2019 by approximately \$35 million versus the stated interest rates on the U.S. dollar denominated debt.

### **Currency Exchange Rate Risk**

The Company faces transactional exchange rate risk from transactions with customers in countries outside the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than Danaher's functional currency or the functional currency of its applicable subsidiary. The Company also faces translational exchange rate risk related to the translation of financial statements of its foreign operations into U.S. dollars, Danaher's functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, the Company is exposed to movements in the exchange rates of various currencies against the U.S. dollar. In particular, the Company has more sales in European currencies than it has expenses in those currencies. Therefore, when European currencies strengthen or weaken against the U.S. dollar, operating profits are increased or decreased, respectively. The effect of a change in currency exchange rates on the Company's net investment in international subsidiaries is reflected in the accumulated other comprehensive income (loss) component of stockholders' equity.

Currency exchange rates positively impacted 2018 reported sales by 0.5% on a year-over-year basis, primarily as a result of the U.S. dollar weakening against other major currencies in the first half of 2018. The U.S. dollar strengthened in the second half of 2018 which mitigated some of the benefit recorded in early 2018. If the exchange rates in effect as of December 31, 2018 were to prevail throughout 2019, currency exchange rates would adversely impact 2019 estimated sales by 1.5% relative to the Company's performance in 2018. Strengthening of the U.S. dollar against other major currencies would adversely impact the Company's sales and results of operations on an overall basis. Any weakening of the U.S. dollar against other major currencies would positively impact the Company's sales and results of operations.

The Company has generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this transactional exchange risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales and net earnings in the Company's Consolidated Financial Statements. In addition, the Company has assets and liabilities held in foreign currencies. The Company may also use foreign currency-denominated debt and cross-currency swaps to partially hedge its net investments in foreign operations against adverse movements in exchange rates. A 10% depreciation in major currencies relative to the U.S. dollar as of December 31, 2018 would have reduced foreign currency-denominated net assets and stockholders' equity by \$860 million. In 2019, the Company entered into approximately \$1.9 billion of cross-currency swap derivative contracts on its U.S. dollar-denominated bonds to hedge its net investment in foreign operations against adverse changes in the exchange rates between the U.S. dollar and the Danish kroner, Japanese yen, euro and the Swiss franc. These contracts effectively convert the Company's U.S. dollar-denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc, and will partially offset the impact of changes in currency rates on foreign currency-denominated net assets in future periods.

### **Equity Price Risk**

The Company's investment portfolio has in the past included publicly-traded equity securities that are sensitive to fluctuations in market price. However, during 2017 the Company sold substantially all of its available-for-sale marketable equity securities. The Company also holds investments in non-marketable equity instruments in privately held companies that may be impacted by equity price risks or other factors. These non-marketable equity investments are accounted for under the Fair Value Alternative method with changes in fair value recorded in earnings. Volatility in the equity markets or other fair value considerations could affect the value of these investments and require charges or gains to be recognized in earnings.

### **Commodity Price Risk**

For a discussion of risks relating to commodity prices, refer to "Item 1A. Risk Factors."

### **Credit Risk**

The Company is exposed to potential credit losses in the event of nonperformance by counterparties to its financial instruments. Financial instruments that potentially subject the Company to credit risk consist of cash and temporary investments, receivables from customers and derivatives. The Company places cash and temporary investments with various high-quality financial institutions throughout the world and exposure is limited at any one institution. Although the Company typically does not obtain collateral or other security to secure these obligations, it does regularly monitor the third-party depository institutions that hold its cash and cash equivalents. The Company's emphasis is primarily on safety and liquidity of principal and secondarily on maximizing yield on those funds.

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In addition, concentrations of credit risk arising from receivables from customers are limited due to the diversity of the Company's customers. The Company's businesses perform credit evaluations of their customers' financial conditions as appropriate and also obtain collateral or other security when appropriate.

The Company enters into derivative transactions infrequently and such transactions are generally insignificant to the Company's financial condition and results of operations. These transactions are typically entered into with high-quality financial institutions and exposure at any one institution is limited.

## LIQUIDITY AND CAPITAL RESOURCES

Management assesses the Company's liquidity in terms of its ability to generate cash to fund its operating, investing and financing requirements. The Company continues to generate substantial cash from operating activities and believes that its operating cash flow and other sources of liquidity will be sufficient to allow it to continue investing in existing businesses, consummating strategic acquisitions and investments, paying interest and servicing debt and managing its capital structure on a short and long-term basis.

Following is an overview of the Company's cash flows and liquidity for the years ended December 31:

### Overview of Cash Flows and Liquidity

(\$ in millions)	2018	2017	2016
Total operating cash flows provided by continuing operations	\$ 4,022.0	\$ 3,477.8	\$ 3,087.5
Cash paid for acquisitions	\$ (2,173.3)	\$ (385.8)	\$ (4,880.1)
Payments for additions to property, plant and equipment	(655.7)	(619.6)	(589.6)
Proceeds from sales of property, plant and equipment	6.3	32.6	9.8
Payments for purchases of investments	(148.9)	—	—
Proceeds from sales of investments	22.2	137.9	264.8
All other investing activities	—	(8.5)	21.9
Total investing cash used in discontinued operations	—	—	(69.8)
Net cash used in investing activities	\$ (2,949.4)	\$ (843.4)	\$ (5,243.0)
Proceeds from the issuance of common stock	\$ 96.0	\$ 68.8	\$ 164.5
Payment of dividends	(433.4)	(378.3)	(399.8)
Payment for purchase of noncontrolling interest	—	(64.4)	—
Make-whole premiums to redeem borrowings prior to maturity	—	—	(188.1)
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	65.7	(3,778.5)	2,218.1
Proceeds from borrowings (maturities longer than 90 days)	—	1,782.1	3,240.9
Repayments of borrowings (maturities longer than 90 days)	(507.8)	(668.4)	(2,480.6)
All other financing activities	(17.9)	(59.8)	(27.0)
Cash distributions to Fortive, net	—	—	(485.3)
Net cash (used in) provided by financing activities	\$ (797.4)	\$ (3,098.5)	\$ 2,042.7

- Operating cash flows from continuing operations increased \$544 million, or 16%, during 2018 as compared to 2017, due primarily to higher net earnings, which included higher noncash charges for depreciation and amortization, the impact of a noncash gain from the sale of marketable equity securities in 2017, and lower cash used for funding trade accounts receivable, inventories and trade accounts payable in 2018 compared to 2017. This increase was partially offset by higher cash used for payments for various employee-related liabilities, customer funding and accrued expenses during 2018.
- Net cash used in investing activities during 2018 consisted primarily of cash paid for acquisitions, additions to property, plant and equipment and payments for purchases of investments. The Company acquired two businesses during 2018 for total consideration (including assumed debt and net of cash acquired) of approximately \$2.2 billion.

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Payments for additions to property, plant and equipment increased \$36 million in 2018 compared to 2017 and included investments in operating assets, and new facilities across the Company. In addition, in 2018, the Company invested \$149 million in non-marketable equity securities.

- The Company repaid the \$500 million aggregate principal amount of 2018 U.S. Notes (plus accrued interest) upon their maturity in September 2018 using available cash and proceeds from the issuance of commercial paper.
- As of December 31, 2018, the Company held \$788 million of cash and cash equivalents.

### Operating Activities

Cash flows from operating activities can fluctuate significantly from period-to-period as working capital needs and the timing of payments for income taxes, restructuring activities and productivity improvement initiatives, pension funding and other items impact reported cash flows.

Operating cash flows from continuing operations were approximately \$4.0 billion for 2018, an increase of \$544 million, or 16%, as compared to 2017. The year-over-year change in operating cash flows from 2017 to 2018 was primarily attributable to the following factors:

- 2018 operating cash flows benefited from higher net earnings in 2018 as compared to 2017. Net earnings in 2017 also included a \$73 million gain on sale of marketable equity securities for which the proceeds were reflected in the investing activities section of the accompanying Consolidated Statement of Cash Flows, and therefore, did not contribute to operating cash flows.
- Net earnings from continuing operations for 2018 reflected an increase of \$69 million of depreciation and amortization expense as compared to 2017. Amortization expense primarily relates to the amortization of intangible assets acquired in connection with acquisitions and increased due to recently acquired businesses. Depreciation expense relates to both the Company's manufacturing and operating facilities as well as instrumentation leased to customers under operating-type lease arrangements and increased due primarily to the impact of increased capital expenditures. Depreciation and amortization are noncash expenses that decrease earnings without a corresponding impact to operating cash flows.
- The aggregate of trade accounts receivable, inventories and trade accounts payable provided \$24 million in operating cash flows during 2018, compared to \$243 million of operating cash flows used in 2017. The amount of cash flow generated from or used by the aggregate of trade accounts receivable, inventories and trade accounts payable depends upon how effectively the Company manages the cash conversion cycle, which effectively represents the number of days that elapse from the day it pays for the purchase of raw materials and components to the collection of cash from its customers and can be significantly impacted by the timing of collections and payments in a period.
- The aggregate of prepaid expenses and other assets, deferred income taxes and accrued expenses and other liabilities used \$114 million in operating cash flows during 2018, compared to \$110 million used in 2017. The timing of various employee-related liabilities, customer funding and accrued expenses drove the majority of this change.

Operating cash flows from continuing operations were approximately \$3.5 billion for 2017, an increase of \$390 million, or 13%, as compared to 2016. This increase was primarily attributable to the increase in net earnings from continuing operations in 2017 as compared to 2016.

### Investing Activities

Cash flows relating to investing activities consist primarily of cash used for acquisitions and capital expenditures, including instruments leased to customers, cash used for investments and cash proceeds from divestitures of businesses or assets.

Net cash used in investing activities was approximately \$2.9 billion during 2018 compared to \$843 million and approximately \$5.2 billion of net cash used in 2017 and 2016, respectively.

### Acquisitions, Divestitures and Sale of Investments

#### 2018 Acquisitions and Sale of Investments

For a discussion of the Company's 2018 acquisitions refer to "—Overview." In addition, in 2018, the Company invested \$149 million in non-marketable equity securities and partnerships. The Company received cash proceeds of \$22 million from the collection of short-term other receivables related to the sale of certain marketable equity securities during 2017.



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### 2017 Acquisitions and Sale of Investments

During 2017, the Company acquired ten businesses for total consideration of \$386 million in cash, net of cash acquired. The businesses acquired complement existing units of the Life Sciences, Dental and Environmental & Applied Solutions segments. The aggregate annual sales of these ten businesses at the time of their respective acquisitions, in each case based on the company's revenues for its last completed fiscal year prior to the acquisition, were \$160 million.

The Company received \$138 million of cash proceeds and recorded \$22 million in short-term other receivables from the sale of certain marketable equity securities during 2017. The Company recorded a pretax gain related to this sale of \$73 million (\$46 million after-tax or \$0.06 per diluted share).

### 2016 Acquisitions, Divestitures and Sale of Investments

For a discussion of the Company's 2016 Separation of its former Test & Measurement segment, Industrial Technologies segment (excluding the product identification businesses) and retail/commercial petroleum business, refer to "—Overview."

On November 4, 2016, Copper Merger Sub, Inc., a California corporation and an indirect, wholly-owned subsidiary of the Company acquired all of the outstanding shares of common stock of Cepheid, a California corporation, for \$53.00 per share in cash, for a total purchase price of approximately \$4.0 billion, net of assumed debt and acquired cash (the "Cepheid Acquisition"). Cepheid is now part of the Company's Diagnostics segment. Cepheid generated revenues of \$539 million in 2015. The Company initially financed the Cepheid acquisition price with available cash and proceeds from the issuance of U.S. dollar and euro-denominated commercial paper.

In addition to the Cepheid Acquisition, during 2016 the Company acquired seven businesses for total consideration of \$882 million in cash, net of cash acquired. The businesses acquired complement existing units of each of the Company's four segments. The aggregate annual sales of these seven businesses at the time of their respective acquisitions, in each case based on the company's revenues for its last completed fiscal year prior to the acquisition, were \$237 million.

In addition, during 2016, the Company received cash proceeds of \$265 million from the sale of certain marketable equity securities and recorded a pretax gain related to this sale of \$223 million (\$140 million after-tax or \$0.20 per diluted share).

### Capital Expenditures

Capital expenditures are made primarily for increasing capacity, replacing equipment, supporting new product development, improving information technology systems and the manufacture of instruments that are used in operating-type lease arrangements that certain of the Company's businesses enter into with customers. Capital expenditures totaled \$656 million in 2018, \$620 million in 2017 and \$590 million in 2016. The increase in capital spending in both 2018 and 2017 was due to increased investments in operating assets and new facilities across the Company. In 2019, the Company expects capital spending to be approximately \$750 million, though actual expenditures will ultimately depend on business conditions.

### Financing Activities

Cash flows from financing activities consist primarily of cash flows associated with the issuance and repayments of commercial paper and other debt, issuances and repurchases of common stock, excess tax benefits from stock-based compensation and payments of cash dividends to shareholders. Financing activities used cash of \$797 million during 2018 compared to approximately \$3.1 billion of cash used during 2017. The year-over-year decrease in cash used in financing activities was due primarily to lower net repayments of commercial paper borrowings in 2018, as the Company decreased its commercial paper borrowings in 2017 after increasing commercial paper borrowings for the Cepheid acquisition. The Company issued commercial paper early in 2018 to pay for a portion of the acquisition price of IDT and repaid substantially all of such commercial paper borrowings later in 2018. The cash outflow in 2017 for the net repayment of commercial paper was partially offset by proceeds from the issuance of long-term notes. In both 2018 and 2017, the Company repaid long-term debt, with slightly lower repayments in 2018 compared to 2017, as the Company repaid the \$500 million aggregate principal amount of 2018 U.S. Notes with accrued interest upon their maturity in September 2018.

Financing activities used cash of approximately \$3.1 billion during 2017 compared to approximately \$2.0 billion of cash provided during 2016. Cash provided by financing activities in 2017 primarily related to higher net repayments of commercial paper borrowings in 2017 as compared to 2016 (as the Company increased its commercial paper borrowings in 2016 for the Cepheid acquisition) as well as lower proceeds from the issuance of debt in 2017 as compared to 2016. These impacts were partially offset by lower repayments of long-term debt in 2017 as compared to 2016 as the Company used a portion of the proceeds from the Fortive Distribution to repay outstanding long-term indebtedness in August 2016.

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Total debt was approximately \$9.7 billion and \$10.5 billion as of December 31, 2018 and 2017, respectively. The Company had the ability to incur approximately an additional \$1.5 billion of indebtedness in direct borrowings or under the outstanding commercial paper facility based on the amounts available under the Company's \$4.0 billion credit facility which were not being used to backstop outstanding commercial paper balances as of December 31, 2018. The Company has classified the 2019 Euronotes and approximately \$2.5 billion of its borrowings outstanding under the commercial paper programs as of December 31, 2018 as long-term debt in the accompanying Consolidated Balance Sheet as the Company had the intent and ability, as supported by availability under the Credit Facility, to refinance these borrowings for at least one year from the balance sheet date. As commercial paper obligations mature, the Company may issue additional short-term commercial paper obligations to refinance all or part of these borrowings.

Under the Company's U.S. and euro-denominated commercial paper program, the notes are typically issued at a discount from par, generally based on the ratings assigned to the Company by credit rating agencies at the time of the issuance and prevailing market rates measured by reference to LIBOR or EURIBOR. Additionally, the Company's floating rate senior unsecured notes due 2022 pay interest based upon the three-month EURIBOR plus 0.3%. In July 2017, the head of the United Kingdom Financial Conduct Authority announced the desire to phase out the use of LIBOR by the end of 2021. The U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with the Secured Overnight Financing Rate, or SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. The Company has evaluated the immediate impact of the transition from LIBOR and does not expect the transition to be material.

Refer to Note 10 to the Consolidated Financial Statements for information regarding the Company's financing activities and indebtedness, including the Company's outstanding debt as of December 31, 2018, and the Company's commercial paper program and related credit facility.

### **Shelf Registration Statement**

The Company has filed a "well-known seasoned issuer" shelf registration statement on Form S-3 with the SEC that registers an indeterminate amount of debt securities, common stock, preferred stock, warrants, depository shares, purchase contracts and units for future issuance. The Company expects to use net proceeds realized by the Company from future securities sales off this shelf registration statement for general corporate purposes, including without limitation repayment or refinancing of debt or other corporate obligations, acquisitions, capital expenditures, share repurchases and dividends and/or working capital.

### **Stock Repurchase Program**

Please see "Issuer Purchases of Equity Securities" in Item 5 of Part II of this Annual Report for a description of the Company's stock repurchase program.

### **Dividends**

The Company declared a regular quarterly dividend of \$0.16 per share that was paid on January 25, 2019 to holders of record on December 28, 2018. Aggregate cash payments for dividends during 2018 were \$433 million. Dividend payments were higher in 2018 as compared to 2017 due to increases in the quarterly dividend rate effective with respect to the dividend paid in the second quarter of 2017 and with respect to the dividend paid in the second quarter of 2018.

### **Cash and Cash Requirements**

As of December 31, 2018, the Company held \$788 million of cash and cash equivalents that were invested in highly liquid investment-grade debt instruments with a maturity of 90 days or less with an approximate weighted average annual interest rate of 1.3%. Of this amount, \$38 million was held within the United States and \$750 million was held outside of the United States. The Company will continue to have cash requirements to support working capital needs, capital expenditures, acquisitions and investments, pay interest and service debt, pay taxes and any related interest or penalties, fund its restructuring activities and pension plans as required, pay dividends to shareholders, repurchase shares of the Company's common stock and support other business needs. The Company generally intends to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions, the Company may also borrow under its commercial paper programs or credit facility, enter into new credit facilities and either borrow directly thereunder or use such credit facilities to backstop additional borrowing capacity under its commercial paper programs and/or issue debt and/or equity in the capital markets. The Company also may from time to time access the capital markets to take advantage of favorable interest rate environments or other market conditions.

While repatriation of some cash held outside the United States may be restricted by local laws, most of the Company's foreign cash could be repatriated to the United States. Following enactment of the TCJA and the associated Transition Tax, in general,



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repatriation of cash to the United States can be completed with no incremental U.S. tax; however, repatriation of cash could subject the Company to non-U.S. jurisdictional taxes on distributions. The cash that the Company's non-U.S. subsidiaries hold for indefinite reinvestment is generally used to finance foreign operations, investments and acquisitions. The income taxes applicable to such earnings are not readily determinable. As of December 31, 2018, the Company continues to assert that principally all of its non-U.S. earnings are indefinitely reinvested and management believes that the Company has sufficient liquidity to satisfy its cash needs, including its cash needs in the United States.

During 2018, the Company contributed \$55 million to its U.S. defined benefit pension plans and \$52 million to its non-U.S. defined benefit pension plans. During 2019, the Company's cash contribution requirements for its U.S. and its non-U.S. defined benefit pension plans are expected to be approximately \$10 million and \$50 million, respectively. The ultimate amounts to be contributed depend upon, among other things, legal requirements, underlying asset returns, the plan's funded status, the anticipated tax deductibility of the contribution, local practices, market conditions, interest rates and other factors.

**Contractual Obligations**

The following table sets forth, by period due or year of expected expiration, as applicable, a summary of the Company's contractual obligations as of December 31, 2018 under (1) debt obligations, (2) leases, (3) purchase obligations and (4) other long-term liabilities reflected on the Company's Consolidated Balance Sheet. The amounts presented in the "Other long-term liabilities" line in the table below include \$911 million of noncurrent gross unrecognized tax benefits and related interest (and do not include \$75 million of current gross unrecognized tax benefits which are included in the "Accrued expenses and other liabilities" line on the Consolidated Balance Sheet). However, the timing of the long-term portion of these tax liabilities is uncertain, and therefore, they have been included in the "More Than 5 Years" column in the table below. Refer to Note 13 to the Consolidated Financial Statements for additional information on unrecognized tax benefits. Certain of the Company's acquisitions also involve the potential payment of contingent consideration. The table below does not reflect any such obligations, as the timing and amounts of any such payments are uncertain. Refer to "—Off-Balance Sheet Arrangements" for a discussion of other contractual obligations that are not reflected in the table below.

(\$ in millions)	Total	Less Than One Year	1-3 Years	4-5 Years	More Than 5 Years
<b>Debt and leases:</b>					
Debt obligations <sup>(a)(b)</sup>	\$ 9,724.8	\$ 50.6	\$ 4,346.5	\$ 1,748.5	\$ 3,579.2
Capital lease obligations <sup>(b)</sup>	15.5	1.2	2.8	11.5	—
Total debt and leases	9,740.3	51.8	4,349.3	1,760.0	3,579.2
Interest payments on debt and capital lease obligations <sup>(c)</sup>	1,105.6	128.9	210.0	158.4	608.3
Operating lease obligations <sup>(d)</sup>	1,009.9	203.0	301.0	218.7	287.2
<b>Other:</b>					
Purchase obligations <sup>(e)</sup>	659.1	610.2	45.7	3.0	0.2
Other long-term liabilities reflected on the Company's Consolidated Balance Sheet <sup>(f)</sup>	5,075.8	—	621.5	515.2	3,939.1
<b>Total</b>	<b>\$ 17,590.7</b>	<b>\$ 993.9</b>	<b>\$ 5,527.5</b>	<b>\$ 2,655.3</b>	<b>\$ 8,414.0</b>

<sup>(a)</sup> As described in Note 10 to the Consolidated Financial Statements.

<sup>(b)</sup> Amounts do not include interest payments. Interest on debt and capital lease obligations is reflected in a separate line in the table.

<sup>(c)</sup> Interest payments on debt are projected for future periods using the interest rates in effect as of December 31, 2018. Certain of these projected interest payments may differ in the future based on changes in market interest rates.

<sup>(d)</sup> As described in Note 16 to the Consolidated Financial Statements, certain leases require the Company to pay real estate taxes, insurance, maintenance and other operating expenses associated with the leased premises. These future costs are not included in the table above. As discussed in Note 1 to the Consolidated Financial Statements, the Company adopted ASC 842 related to lease accounting on January 1, 2019. Future minimum lease payments differ from the future lease liability recognized under ASC 842, as the lease liability recognized under ASC 842 discounts the lease payments while the minimum lease payments are not discounted. Additionally, ASC 842 allows a lessee to elect to combine or separate any non-lease components in an arrangement with the lease components for the calculation of the lease liability while the minimum lease payments exclude any non-lease components.

<sup>(e)</sup> Consist of agreements to purchase goods or services that are enforceable and legally binding on the Company and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction.

<sup>(f)</sup> Primarily consist of obligations under product service and warranty policies and allowances, performance and operating cost guarantees, estimated environmental remediation costs, self-insurance and litigation claims, postretirement benefits, pension obligations, deferred tax

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liabilities and deferred compensation obligations. The timing of cash flows associated with these obligations is based upon management's estimates over the terms of these arrangements and is largely based upon historical experience.

### Off-Balance Sheet Arrangements

#### Guarantees and Related Instruments

The following table sets forth, by period due or year of expected expiration, as applicable, a summary of guarantees and related instruments of the Company as of December 31, 2018.

(\$ in millions)	Amount of Commitment Expiration per Period				
	Total	Less Than One Year	1-3 Years	4-5 Years	More Than 5 Years
Guarantees and related instruments	\$ 667.8	\$ 572.1	\$ 51.2	\$ 21.9	\$ 22.6

Guarantees and related instruments consist primarily of outstanding standby letters of credit, bank guarantees and performance and bid bonds. These have been provided in connection with certain arrangements with vendors, customers, insurance providers, financing counterparties and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

#### Other Off-Balance Sheet Arrangements

The Company has from time to time divested certain of its businesses and assets. In connection with these divestitures, the Company often provides representations, warranties and/or indemnities to cover various risks and unknown liabilities, such as claims for damages arising out of the use of products or relating to intellectual property matters, commercial disputes, environmental matters or tax matters. In particular, in connection with the 2016 Fortive Separation and the 2015 split-off of the Company's communications business, Danaher entered into separation and distribution and related agreements pursuant to which Danaher agreed to indemnify the other parties against certain damages and expenses that might occur in the future. These indemnification obligations cover a variety of liabilities, including, but not limited to, employee, tax and environmental matters. The Company has not included any such items in the contractual obligations table above because they relate to unknown conditions and the Company cannot estimate the potential liabilities from such matters, but the Company does not believe it is reasonably possible that any such liability will have a material effect on the Company's financial statements. In addition, as a result of these divestitures, as well as restructuring activities, certain properties leased by the Company have been sublet to third-parties. In the event any of these third-parties vacate any of these premises, the Company would be legally obligated under master lease arrangements. The Company believes that the financial risk of default by such sub-lessors is individually and in the aggregate not material to the Company's Consolidated Financial Statements.

In the normal course of business, the Company periodically enters into agreements that require it to indemnify customers, suppliers or other business partners for specific risks, such as claims for injury or property damage arising out of the Company's products, software or services or claims alleging that Company products or services infringe third-party intellectual property. The Company has not included any such indemnification provisions in the contractual obligations table above. Historically, the Company has not experienced significant losses on these types of indemnification obligations.

The Company's Restated Certificate of Incorporation requires it to indemnify to the full extent authorized or permitted by law any person made, or threatened to be made a party to any action or proceeding by reason of his or her service as a director or officer of the Company, or by reason of serving at the request of the Company as a director or officer of any other entity, subject to limited exceptions. Danaher's Amended and Restated By-laws provide for similar indemnification rights. In addition, Danaher has executed with each director and executive officer of Danaher Corporation an indemnification agreement which provides for substantially similar indemnification rights and under which Danaher has agreed to pay expenses in advance of the final disposition of any such indemnifiable proceeding. While the Company maintains insurance for this type of liability, a significant deductible applies to this coverage and any such liability could exceed the amount of the insurance coverage.

### Legal Proceedings

Refer to "Item 3. Legal Proceedings" and Note 17 to the Consolidated Financial Statements for information regarding legal proceedings and contingencies, and for a discussion of risks related to legal proceedings and contingencies, refer to "Item 1A. Risk Factors."

## CRITICAL ACCOUNTING ESTIMATES

Management's discussion and analysis of the Company's financial condition and results of operations is based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company bases these estimates and judgments on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ materially from these estimates and judgments.

The Company believes the following accounting estimates are most critical to an understanding of its financial statements. Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (2) material changes in the estimate are reasonably likely from period-to-period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 1 to the Consolidated Financial Statements.

**Acquired Intangibles**—The Company's business acquisitions typically result in the recognition of goodwill, in-process R&D and other intangible assets, which affect the amount of future period amortization expense and possible impairment charges that the Company may incur. Refer to Notes 1, 3 and 7 to the Consolidated Financial Statements for a description of the Company's policies relating to goodwill, acquired intangibles and acquisitions.

In performing its goodwill impairment testing, the Company estimates the fair value of its reporting units primarily using a market-based approach. In evaluating the estimates derived by the market-based approach, management makes judgments about the relevance and reliability of the multiples by considering factors unique to its reporting units, including operating results, business plans, economic projections, anticipated future cash flows, and transactions and marketplace data as well as judgments about the comparability of the market proxies selected. In certain circumstances the Company also estimates fair value utilizing a discounted cash flow analysis (i.e., an income approach) in order to validate the results of the market approach. The discounted cash flow model requires judgmental assumptions about projected revenue growth, future operating margins, discount rates and terminal values. There are inherent uncertainties related to these assumptions and management's judgment in applying them to the analysis of goodwill impairment.

As of December 31, 2018, the Company had eight reporting units for goodwill impairment testing. Reporting units resulting from recent acquisitions generally present the highest risk of impairment. Management believes the impairment risk associated with these reporting units generally decreases as these businesses are integrated into the Company and better positioned for potential future earnings growth. The Company's annual goodwill impairment analysis in 2018 indicated that in all instances, the fair values of the Company's reporting units exceeded their carrying values and consequently did not result in an impairment charge. The excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the respective reporting unit) for each of the Company's reporting units as of the annual testing date ranged from approximately 15% to approximately 600%. In order to evaluate the sensitivity of the fair value calculations used in the goodwill impairment test, the Company applied a hypothetical 10% decrease to the fair values of each reporting unit and compared those hypothetical values to the reporting unit carrying values. Based on this hypothetical 10% decrease, the excess of the estimated fair value over carrying value (expressed as a percentage of carrying value for the respective reporting unit) for each of the Company's reporting units ranged from approximately 5% to approximately 530%.

The Company reviews identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company also tests intangible assets with indefinite lives at least annually for impairment. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. These analyses require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net earnings which would adversely affect the Company's Consolidated Financial Statements. Historically, the Company's estimates of goodwill and intangible assets have been materially correct.

**Contingent Liabilities**—As discussed in "Item 3. Legal Proceedings" and Note 17 to the Consolidated Financial Statements, the Company is, from time to time, subject to a variety of litigation and similar contingent liabilities incidental to its business (or the business operations of previously owned entities). The Company recognizes a liability for any legal contingency that is known or probable of occurrence and reasonably estimable. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors, including those discussed in Note 17 to the Consolidated Financial Statements. If

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the reserves established by the Company with respect to these contingent liabilities are inadequate, the Company would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect the Company's financial statements.

**Revenue Recognition**—On January 1, 2018, the Company adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes nearly all previous revenue recognition guidance. Refer to Note 2 to the Consolidated Financial Statements for additional information on the Company's adoption of this ASU.

The Company derives revenues from the sale of products and services. Revenue is recognized when control over the promised products or services is transferred to the customer in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services. In determining if control has transferred, the Company considers whether certain indicators of the transfer of control are present, such as the transfer of title, present right to payment, significant risks and rewards of ownership and customer acceptance when acceptance is not a formality. To determine the consideration that the customer owes the Company, the Company must make judgments regarding the amount of customer allowances and rebates, as well as an estimate for product returns. The Company also enters into lease arrangements with customers, which requires the Company to determine whether the arrangements are operating or sales-type leases. Certain of the Company's lease contracts are customized for larger customers and often result in complex terms and conditions that typically require significant judgment in applying the lease accounting criteria. Refer to Note 1 to the Consolidated Financial Statements for a description of the Company's revenue recognition policies.

If the Company's judgments regarding revenue recognition prove incorrect, the Company's reported revenues in particular periods may be incorrect. Historically, the Company's estimates of revenue have been materially correct.

**Pension and Other Postretirement Benefits**—For a description of the Company's pension and other postretirement benefit accounting practices, refer to Notes 11 and 12 to the Consolidated Financial Statements. Calculations of the amount of pension and other postretirement benefit costs and obligations depend on the assumptions used in the actuarial valuations, including assumptions regarding discount rates, expected return on plan assets, rates of salary increases, health care cost trend rates, mortality rates and other factors. If the assumptions used in calculating pension and other postretirement benefits costs and obligations are incorrect or if the factors underlying the assumptions change (as a result of differences in actual experience, changes in key economic indicators or other factors) the Company's Consolidated Financial Statements could be materially affected. A 50 basis point reduction in the discount rates used for the plans would have increased the U.S. net obligation by \$121 million (\$92 million on an after-tax basis) and the non-U.S. net obligation by \$125 million (\$96 million on an after-tax basis) from the amounts recorded in the Consolidated Financial Statements as of December 31, 2018. A 50 basis point increase in the discount rates used for the plans would have decreased the U.S. net obligation by \$111 million (\$84 million on an after-tax basis) and the non-U.S. net obligation by \$120 million (\$93 million on an after-tax basis) from the amounts recorded in the Consolidated Financial Statements as of December 31, 2018.

For 2018, the estimated long-term rate of return for the U.S. plans is 7.0%, and the Company intends to continue to use an assumption of 7.0% for 2019. The estimated long-term rate of return for the non-U.S. plans was determined on a plan-by-plan basis based on the nature of the plan assets and ranged from 1.0% to 5.8%. If the expected long-term rate of return on plan assets for 2018 was reduced by 50 basis points, pension expense for the U.S. and non-U.S. plans for 2018 would have increased \$10 million (\$8 million on an after-tax basis) and \$6 million (\$5 million on an after-tax basis), respectively.

For a discussion of the Company's 2018 and anticipated 2019 defined benefit pension plan contributions, refer to “—Liquidity and Capital Resources—Cash and Cash Requirements”.

**Income Taxes**—For a description of the Company's income tax accounting policies, refer to Notes 1 and 13 to the Consolidated Financial Statements. The Company establishes valuation allowances for its deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. This requires management to make judgments and estimates regarding: (1) the timing and amount of the reversal of taxable temporary differences, (2) expected future taxable income, and (3) the impact of tax planning strategies. Future changes to tax rates would also impact the amounts of deferred tax assets and liabilities and could have an adverse impact on the Company's Consolidated Financial Statements.

The Company provides for unrecognized tax benefits when, based upon the technical merits, it is “more likely than not” that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. The Company re-evaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (1) a tax audit is completed; (2) applicable tax laws change, including a tax case ruling or legislative guidance; or (3) the applicable statute of limitations expires.

On December 22, 2017, the TCJA was enacted, which substantially changed the U.S. tax system, including lowering the corporate tax rate from 35.0% to 21.0% (beginning in 2018). While the changes from the TCJA were generally effective

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beginning in 2018, GAAP accounting for income taxes requires the effect of a change in tax laws or rates to be recognized in income from continuing operations for the period that includes the enactment date. Due to the complexities involved in accounting for the enactment of the TCJA, SAB No. 118 allowed the Company to record provisional amounts in earnings for the year ended December 31, 2017. Where reasonable estimates could be made, the provisional accounting was based on such estimates. When no reasonable estimate could be made, SAB No. 118 required the accounting to be based on the tax law in effect before the TCJA. The Company was required to complete its tax accounting for the TCJA when it had obtained, prepared and analyzed the information to complete the income tax accounting but no later than December 22, 2018. The Company completed its accounting for the tax effects of the enactment of the TCJA based on the Company's interpretation of the new tax regulations and related guidance. The net tax effect to adjust the prior year provisional amounts was not material to the Company's financial statements. Due to the complexity and recent issuance of these tax regulations, management's interpretations of the impact of these rules could be subject to challenge by the taxing authorities. Some or all of these judgments are also subject to review by the IRS. If the IRS were to successfully challenge the Company's right to realize some or all of the tax benefit the Company has recorded, or its interpretation of the law regarding certain items, or if the amount of the Transition Tax or other tax liabilities are understated, it could have a material adverse effect on the Company's financial statements.

In addition, certain of the Company's tax returns are currently under review by tax authorities including in Denmark and the United States (refer to "— Results of Operations—Income Taxes" and Note 13 to the Consolidated Financial Statements). Management believes the positions taken in these returns are in accordance with the relevant tax laws. However, the outcome of these audits is uncertain and could result in the Company being required to record charges for prior year tax obligations which could have a material adverse impact to the Company's Consolidated Financial Statements, including its effective tax rate.

An increase of 1.0% in the Company's 2018 nominal tax rate would have resulted in an additional income tax provision for continuing operations for the year ended December 31, 2018 of \$33 million.

### **NEW ACCOUNTING STANDARDS**

For a discussion of the new accounting standards impacting the Company, refer to Note 1 to the Consolidated Financial Statements.

### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The information required by this item is included under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**Report of Management on Danaher Corporation's Internal Control Over Financial Reporting**

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (2013 framework). Based on this assessment, management concluded that, as of December 31, 2018, the Company's internal control over financial reporting is effective.

The Company completed the acquisition of Integrated DNA Technologies ("IDT") on April 13, 2018. Since the Company has not yet fully incorporated the internal controls and procedures of IDT into the Company's internal control over financial reporting, management excluded IDT from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. IDT constituted less than 5% of the Company's total assets as of December 31, 2018 and approximately 1% of the Company's total revenues for the year then ended.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report dated February 20, 2019 appears on page 59 of this Form 10-K.

## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Danaher Corporation

### Opinion on Internal Control over Financial Reporting

We have audited Danaher Corporation and subsidiaries' internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Danaher Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

As indicated in the accompanying Report of Management on Danaher Corporation's Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Integrated DNA Technologies, which is included in the 2018 consolidated financial statements of the Company and constituted less than 5% of total assets as of December 31, 2018 and approximately 1% of the Company's total revenue for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Integrated DNA Technologies.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of earnings, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 20, 2019 expressed an unqualified opinion thereon.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Danaher Corporation's Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Tysons, Virginia  
February 20, 2019



## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Danaher Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Danaher Corporation and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of earnings, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 20, 2019 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2002.

Tysons, Virginia  
February 20, 2019

**DANAHER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(\$ and shares in millions, except per share amount)

	As of December 31	
	2018	2017
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 787.8	\$ 630.3
Trade accounts receivable, less allowance for doubtful accounts of \$120.4 and \$116.1, respectively	3,489.6	3,521.8
Inventories	1,910.1	1,840.8
Prepaid expenses and other current assets	906.3	857.1
Total current assets	7,093.8	6,850.0
Property, plant and equipment, net	2,511.2	2,454.6
Other long-term assets	648.4	538.3
Goodwill	25,906.0	25,138.6
Other intangible assets, net	11,673.1	11,667.1
Total assets	\$ 47,832.5	\$ 46,648.6
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and current portion of long-term debt	\$ 51.8	\$ 194.7
Trade accounts payable	1,712.8	1,509.9
Accrued expenses and other liabilities	3,076.9	3,087.7
Total current liabilities	4,841.5	4,792.3
Other long-term liabilities	5,075.8	5,161.1
Long-term debt	9,688.5	10,327.4
Stockholders' equity:		
Common stock - \$0.01 par value, 2.0 billion shares authorized; 817.9 and 812.5 issued; 701.5 and 696.6 outstanding, respectively	8.2	8.1
Additional paid-in capital	5,834.3	5,538.2
Retained earnings	25,163.0	22,806.1
Accumulated other comprehensive income (loss)	(2,791.1)	(1,994.2)
Total Danaher stockholders' equity	28,214.4	26,358.2
Noncontrolling interests	12.3	9.6
Total stockholders' equity	28,226.7	26,367.8
Total liabilities and stockholders' equity	\$ 47,832.5	\$ 46,648.6

See the accompanying Notes to the Consolidated Financial Statements.

**DANAHER CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(\$ and shares in millions, except per share amounts)**

	Year Ended December 31		
	2018	2017	2016
Sales	\$ 19,893.0	\$ 18,329.7	\$ 16,882.4
Cost of sales	(8,785.9)	(8,137.2)	(7,547.8)
Gross profit	11,107.1	10,192.5	9,334.6
Operating costs:			
Selling, general and administrative expenses	(6,472.1)	(6,073.3)	(5,624.3)
Research and development expenses	(1,231.2)	(1,128.8)	(975.1)
Operating profit	3,403.8	2,990.4	2,735.2
Nonoperating income (expense):			
Other income, net	37.2	103.6	239.1
Loss on early extinguishment of borrowings	—	—	(178.8)
Interest expense	(157.4)	(162.7)	(184.4)
Interest income	9.2	7.5	0.2
Earnings from continuing operations before income taxes	3,292.8	2,938.8	2,611.3
Income taxes	(641.9)	(469.0)	(457.9)
Net earnings from continuing operations	2,650.9	2,469.8	2,153.4
Earnings from discontinued operations, net of income taxes	—	22.3	400.3
Net earnings	<u>\$ 2,650.9</u>	<u>\$ 2,492.1</u>	<u>\$ 2,553.7</u>
Net earnings per share from continuing operations:			
Basic	\$ 3.78	\$ 3.55	\$ 3.12
Diluted	\$ 3.74	\$ 3.50	\$ 3.08
Net earnings per share from discontinued operations:			
Basic	\$ —	\$ 0.03	\$ 0.58
Diluted	\$ —	\$ 0.03	\$ 0.57
Net earnings per share:			
Basic	\$ 3.78	\$ 3.58	\$ 3.69 *
Diluted	\$ 3.74	\$ 3.53	\$ 3.65
Average common stock and common equivalent shares outstanding:			
Basic	700.6	695.8	691.2
Diluted	710.2	706.1	699.8

\* Net earnings per share amount does not add due to rounding.

See the accompanying Notes to the Consolidated Financial Statements.

**DANAHER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(\$ in millions)**

	Year Ended December 31		
	2018	2017	2016
Net earnings	\$ 2,650.9	\$ 2,492.1	\$ 2,553.7
Other comprehensive income (loss), net of income taxes:			
Foreign currency translation adjustments	(632.2)	976.1	(517.3)
Pension and postretirement plan benefit adjustments	(12.7)	71.0	(58.2)
Unrealized loss on available-for-sale securities	(0.8)	(19.6)	(114.8)
Total other comprehensive income (loss), net of income taxes	(645.7)	1,027.5	(690.3)
Comprehensive income	\$ 2,005.2	\$ 3,519.6	\$ 1,863.4

See the accompanying Notes to the Consolidated Financial Statements.

**DANAHER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(\$ and shares in millions)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests
	Shares	Amount				
<b>Balance, January 1, 2016</b>	801.6	\$ 8.0	\$ 4,981.2	\$ 21,012.3	\$ (2,311.2)	\$ 73.7
Net earnings for the year	—	—	—	2,553.7	—	—
Other comprehensive income (loss)	—	—	—	—	(690.3)	—
Dividends declared	—	—	—	(393.6)	—	—
Common stock-based award activity	5.8	0.1	322.6	—	—	—
Common stock issued in connection with LYONs' conversions	0.3	—	9.1	—	—	—
Distribution of Fortive Corporation	—	—	—	(2,468.9)	(20.2)	—
Change in noncontrolling interests	—	—	—	—	—	0.3
<b>Balance, December 31, 2016</b>	807.7	8.1	5,312.9	20,703.5	(3,021.7)	74.0
Net earnings for the year	—	—	—	2,492.1	—	—
Other comprehensive income (loss)	—	—	—	—	1,027.5	—
Dividends declared	—	—	—	(389.5)	—	—
Common stock-based award activity	4.8	—	214.1	—	—	—
Common stock issued in connection with LYONs' conversions	—	—	12.4	—	—	—
Change in noncontrolling interests	—	—	(1.2)	—	—	(64.4)
<b>Balance, December 31, 2017</b>	812.5	8.1	5,538.2	22,806.1	(1,994.2)	9.6
Adoption of accounting standards	—	—	—	154.5	(151.2)	—
<b>Balance, January 1, 2018</b>	812.5	8.1	5,538.2	22,960.6	(2,145.4)	9.6
Net earnings for the year	—	—	—	2,650.9	—	—
Other comprehensive income (loss)	—	—	—	—	(645.7)	—
Dividends declared	—	—	—	(448.5)	—	—
Common stock-based award activity	4.6	0.1	252.8	—	—	—
Common stock issued in connection with acquisitions	0.2	—	23.9	—	—	—
Common stock issued in connection with LYONs' conversions	0.6	—	19.4	—	—	—
Change in noncontrolling interests	—	—	—	—	—	2.7
<b>Balance, December 31, 2018</b>	817.9	\$ 8.2	\$ 5,834.3	\$ 25,163.0	\$ (2,791.1)	\$ 12.3

See the accompanying Notes to the Consolidated Financial Statements.

**DANAHER CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(\$ in millions)

	Year Ended December 31		
	2018	2017	2016
<b>Cash flows from operating activities:</b>			
Net earnings	\$ 2,650.9	\$ 2,492.1	\$ 2,553.7
Less: earnings from discontinued operations, net of income taxes	—	22.3	400.3
Net earnings from continuing operations	2,650.9	2,469.8	2,153.4
<b>Noncash items:</b>			
Depreciation	601.5	577.8	545.0
Amortization	706.2	660.5	583.1
Stock-based compensation expense	151.4	139.4	129.8
Restructuring and impairment charges	2.1	56.1	12.0
Pretax loss on early extinguishment of borrowings	—	—	178.8
Pretax gain on sales of investments	—	(72.8)	(223.4)
Change in deferred income taxes	(195.1)	(426.9)	(383.9)
Change in trade accounts receivable, net	(58.3)	(161.4)	(183.1)
Change in inventories	(143.3)	(27.4)	9.4
Change in trade accounts payable	225.8	(54.4)	78.1
Change in prepaid expenses and other assets	89.7	4.4	(62.4)
Change in accrued expenses and other liabilities	(8.9)	312.7	250.7
Total operating cash provided by continuing operations	4,022.0	3,477.8	3,087.5
Total operating cash provided by discontinued operations	—	—	434.3
Net cash provided by operating activities	4,022.0	3,477.8	3,521.8
<b>Cash flows from investing activities:</b>			
Cash paid for acquisitions	(2,173.3)	(385.8)	(4,880.1)
Payments for additions to property, plant and equipment	(655.7)	(619.6)	(589.6)
Proceeds from sales of property, plant and equipment	6.3	32.6	9.8
Payments for purchases of investments	(148.9)	—	—
Proceeds from sales of investments	22.2	137.9	264.8
All other investing activities	—	(8.5)	21.9
Total investing cash used in continuing operations	(2,949.4)	(843.4)	(5,173.2)
Total investing cash used in discontinued operations	—	—	(69.8)
Net cash used in investing activities	(2,949.4)	(843.4)	(5,243.0)
<b>Cash flows from financing activities:</b>			
Proceeds from the issuance of common stock	96.0	68.8	164.5
Payment of dividends	(433.4)	(378.3)	(399.8)
Payment for purchase of noncontrolling interest	—	(64.4)	—
Make-whole premiums to redeem borrowings prior to maturity	—	—	(188.1)
Net proceeds from (repayments of) borrowings (maturities of 90 days or less)	65.7	(3,778.5)	2,218.1
Proceeds from borrowings (maturities longer than 90 days)	—	1,782.1	3,240.9
Repayments of borrowings (maturities longer than 90 days)	(507.8)	(668.4)	(2,480.6)
All other financing activities	(17.9)	(59.8)	(27.0)
Total financing cash (used in) provided by continuing operations	(797.4)	(3,098.5)	2,528.0
Cash distributions to Fortive Corporation, net	—	—	(485.3)
Net cash (used in) provided by financing activities	(797.4)	(3,098.5)	2,042.7
Effect of exchange rate changes on cash and equivalents	(117.7)	130.7	(148.6)
Net change in cash and equivalents	157.5	(333.4)	172.9
Beginning balance of cash and equivalents	630.3	963.7	790.8
Ending balance of cash and equivalents	\$ 787.8	\$ 630.3	\$ 963.7
<b>Supplemental disclosure:</b>			
Distribution of noncash net assets to Fortive Corporation	\$ —	\$ —	\$ (1,983.6)

See the accompanying Notes to the Consolidated Financial Statements.



**DANAHER CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Business**—Danaher Corporation (“Danaher” or the “Company”) designs, manufactures and markets professional, medical, industrial and commercial products and services, which are typically characterized by strong brand names, innovative technology and major market positions. The Company operates in four business segments: Life Sciences; Diagnostics; Dental; and Environmental & Applied Solutions.

The Company’s Life Sciences segment offers a broad range of research tools that scientists use to study the basic building blocks of life, including genes, proteins, metabolites and cells, in order to understand the causes of disease, identify new therapies and test new drugs and vaccines. The segment is also a leading provider of filtration, separation and purification technologies to the biopharmaceutical, food and beverage, medical, aerospace, microelectronics and general industrial sectors.

The Company’s Diagnostics segment offers analytical instruments, reagents, consumables, software and services that hospitals, physicians’ offices, reference laboratories and other critical care settings use to diagnose disease and make treatment decisions.

The Company’s Dental segment offers products and services that are used to diagnose, treat and prevent disease and ailments of the teeth, gums and supporting bone, as well as to improve the aesthetics of the human smile. With leading brand names, innovative technology and significant market positions, the Company is a leading worldwide provider of a broad range of dental consumables, equipment and services, and is dedicated to driving technological innovations that help dental professionals improve clinical outcomes and enhance productivity.

The Company’s Environmental & Applied Solutions segment offers products and services that help protect important resources and keep global food and water supplies safe. The Company’s water quality business provides instrumentation, services and disinfection systems to help analyze, treat and manage the quality of ultra-pure, potable, industrial, waste, ground, source and ocean water in residential, commercial, municipal, industrial and natural resource applications. The Company’s product identification business provides equipment, software, services and consumables for various color and appearance management, packaging design and quality management, packaging converting, printing, marking, coding and traceability applications for consumer, pharmaceutical and industrial products.

Refer to Notes 3 and 4 for a discussion of significant acquisitions and discontinued operations.

**Accounting Principles**—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. The Consolidated Financial Statements also reflect the impact of noncontrolling interests. Noncontrolling interests do not have a significant impact on the Company’s consolidated results of operations, therefore earnings attributable to noncontrolling interests are not presented separately in the Company’s Consolidated Statements of Earnings. Earnings attributable to noncontrolling interests have been reflected in selling, general and administrative expenses and were insignificant in all periods presented. Reclassifications of certain prior year amounts have been made to conform to the current year presentation.

**Use of Estimates**—The preparation of these financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The Company bases these estimates on historical experience, the current economic environment and on various other assumptions that are believed to be reasonable under the circumstances. However, uncertainties associated with these estimates exist and actual results may differ materially from these estimates.

**Cash and Equivalents**—The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents.

**Accounts Receivable and Allowances for Doubtful Accounts**—All trade accounts, contract and finance receivables are reported on the accompanying Consolidated Balance Sheets adjusted for any write-offs and net of allowances for doubtful accounts. The allowances for doubtful accounts represent management’s best estimate of the credit losses expected from the Company’s trade accounts, contract and finance receivable portfolios. Determination of the allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the provision for credit losses and, therefore, net earnings. The Company regularly performs detailed reviews of its portfolios to determine if an impairment has occurred and evaluates the collectability of receivables based on a combination of various financial and qualitative factors that may affect customers’ ability to pay, including customers’ financial condition, collateral, debt-servicing ability, past



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payment experience and credit bureau information. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, a specific reserve is recorded against amounts due to reduce the recognized receivable to the amount reasonably expected to be collected. Additions to the allowances for doubtful accounts are charged to current period earnings, amounts determined to be uncollectible are charged directly against the allowances, while amounts recovered on previously written-off accounts increase the allowances. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional reserves would be required. The Company does not believe that trade accounts receivable represent significant concentrations of credit risk because of the diversified portfolio of individual customers and geographical areas. The Company recorded \$36 million, \$33 million and \$33 million of expense associated with doubtful accounts for the years ended December 31, 2018, 2017 and 2016, respectively.

Included in the Company's trade accounts receivable and other long-term assets as of December 31, 2018 and 2017 are \$219 million and \$213 million of net aggregate financing receivables, respectively. All financing receivables are evaluated for impairment based on individual customer credit profiles.

**Inventory Valuation**—Inventories include the costs of material, labor and overhead. Domestic inventories are stated at the lower of cost or market primarily using the first-in, first-out ("FIFO") method with certain businesses applying the last-in, first-out method ("LIFO") to value inventory. Inventories held outside the United States are stated at the lower of cost or market primarily using the FIFO method.

**Property, Plant and Equipment**—Property, plant and equipment are carried at cost. The provision for depreciation has been computed principally by the straight-line method based on the estimated useful lives of the depreciable assets as follows:

Category	Useful Life
Buildings	30 years
Leased assets and leasehold improvements	Amortized over the lesser of the economic life of the asset or the term of the lease
Machinery and equipment	3 – 10 years
Customer-leased instruments	5 – 7 years

Estimated useful lives are periodically reviewed and, when appropriate, changes to estimates are made prospectively.

**Investments**—Investments over which the Company has a significant influence but not a controlling interest, are accounted for using the equity method of accounting which requires the Company to record its initial investment at cost and adjust the balance each period for the Company's share of the investee's income or loss and dividends paid. The Company also invests in innovative start-up companies where the Company has neither control of nor significant influence over the investee. Beginning in 2018 with the adoption of Accounting Standards Update ("ASU") No. 2016-01, the Company measures these non-marketable equity securities at fair value and recognizes changes in fair value in net earnings. For securities without readily available fair values, the Company has elected the measurement alternative to record these investments at cost and to adjust for impairments and observable price changes with a same or similar security from the same issuer within net earnings (the "Fair Value Alternative"). Additionally, the Company is a limited partner in a partnership that invests in start-up companies. While the partnership records these investments at fair value, the Company's investment in the partnership is accounted for under the equity method of accounting. The Company made minority investments in non-marketable equity securities and equity method investments totaling \$149 million in 2018. No significant realized or unrealized gains or losses were recorded in 2018 with respect to these investments.

**Other Assets**—Other assets principally include noncurrent financing receivables, noncurrent deferred tax assets and other investments.

**Fair Value of Financial Instruments**—The Company's financial instruments consist primarily of cash and cash equivalents, trade accounts receivable, investments in equity securities, available-for-sale debt securities, nonqualified deferred compensation plans, obligations under trade accounts payable and short and long-term debt. Due to their short-term nature, the carrying values for cash and cash equivalents, trade accounts receivable and trade accounts payable approximate fair value. Refer to Note 8 for the fair values of the Company's investments in equity securities, available-for-sale debt securities and other obligations.

**Goodwill and Other Intangible Assets**—Goodwill and other intangible assets result from the Company's acquisition of existing businesses. In accordance with accounting standards related to business combinations, goodwill is not amortized; however, certain finite-lived identifiable intangible assets, primarily customer relationships and acquired technology, are amortized over their estimated useful lives. Intangible assets with indefinite lives are not amortized. In-process research and development

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("IPR&D") is initially capitalized at fair value and when the IPR&D project is complete, the asset is considered a finite-lived intangible asset and amortized over its estimated useful life. If an IPR&D project is abandoned, an impairment loss equal to the value of the intangible asset is recorded in the period of abandonment. The Company reviews identified intangible assets and goodwill for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. The Company also tests intangible assets with indefinite lives and goodwill at least annually for impairment. Refer to Notes 3 and 7 for additional information about the Company's goodwill and other intangible assets.

**Revenue Recognition**—On January 1, 2018, the Company adopted Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, using the modified retrospective method for all contracts. Results for reporting periods beginning January 1, 2018 are presented under ASC 606, while prior period amounts were not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC 605, *Revenue Recognition*.

The Company recorded a net increase to beginning retained earnings of \$3 million as of January 1, 2018 due to the cumulative impact of adopting ASC 606. The impact to beginning retained earnings was primarily driven by the capitalization of certain costs to obtain a contract, primarily sales-related commissions, partially offset by the deferral of revenue for unfulfilled performance obligations. The adoption of ASC 606 did not have a significant impact on the Company's Consolidated Financial Statements as of and for the year ended December 31, 2018 and, as a result, comparisons of revenues and operating profit performance between periods are not affected by the adoption of this standard. Refer to Note 2 for additional disclosures required by ASC 606.

The Company derives revenues primarily from the sale of Life Sciences, Diagnostics, Dental and Environmental & Applied Solutions products and services. Revenue is recognized when control of the promised products or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of account under ASC 606. For equipment, consumables, spare parts and most software licenses sold by the Company, control transfers to the customer at a point in time. To indicate the transfer of control, the Company must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is not a formality, the customer must have accepted the product or service. The Company's principal terms of sale are FOB Shipping Point, or equivalent, and, as such, the Company primarily transfers control and records revenue for product sales upon shipment. Sales arrangements with delivery terms that are not FOB Shipping Point are not recognized upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. If a performance obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation or acceptance by the customer), revenue recognition for that performance obligation is deferred until such commitments have been fulfilled. Returns for products sold are estimated and recorded as a reduction of revenue at the time of sale. Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are recorded as a reduction of revenue at the time of sale because these allowances reflect a reduction in the transaction price. Product returns, customer allowances and rebates are estimated based on historical experience and known trends. For extended warranty, service, post contract support ("PCS"), software-as-a-service ("SaaS") and other long-term contracts, control transfers to the customer over the term of the arrangement. Revenue for extended warranty, service, PCS, SaaS and certain software licenses is recognized based upon the period of time elapsed under the arrangement. Revenue for other long-term contracts is generally recognized based upon the cost-to-cost measure of progress, provided that the Company meets the criteria associated with transferring control of the good or service over time.

Certain of the Company's revenues relate to operating-type lease ("OTL") arrangements. Leases are outside the scope of ASC 606 and are therefore accounted for in accordance with ASC 840, *Leases*. Equipment lease revenue for OTL agreements is recognized on a straight-line basis over the life of the lease, and the cost of customer-leased equipment is recorded within property, plant and equipment in the accompanying Consolidated Balance Sheets and depreciated over the equipment's estimated useful life. The depreciation expense is reflected in cost of sales in the accompanying Consolidated Statements of Earnings. The OTLs are generally not cancellable until after an initial term and may or may not require the customer to purchase a minimum number of consumables or tests throughout the contract term. Certain of the Company's lease contracts are customized for larger customers and often result in complex terms and conditions that typically require significant judgment in applying the criteria used to evaluate whether the arrangement should be considered an OTL or a sales-type lease ("STL"). An STL results in earlier recognition of equipment revenue as compared to an OTL.

For a contract with multiple performance obligations, the Company allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis using the Company's best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third-party pricing for similar products or services or estimate the standalone selling price. Allocation of the transaction price is determined at the contracts' inception. The Company does not adjust transaction price for the effects of a significant

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financing component when the period between the transfer of the promised good or service to the customer and payment for that good or service by the customer is expected to be one year or less. This allocation approach also applies to contracts that include a lease component.

**Shipping and Handling**—Shipping and handling costs are included as a component of cost of sales. Revenue derived from shipping and handling costs billed to customers is included in sales.

**Advertising**—Advertising costs are expensed as incurred.

**Research and Development**—The Company conducts research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of the Company's existing products and expanding the applications for which uses of the Company's products are appropriate. Research and development costs are expensed as incurred.

**Income Taxes**—The Company's income tax expense represents the tax liability for the current year, the tax benefit or expense for the net change in deferred tax liabilities and assets during the year, as well as reserves for unrecognized tax benefits and return to provision adjustments. Deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the Company's tax return in future years for which the tax benefit has already been reflected on the Company's Consolidated Statements of Earnings. The Company establishes valuation allowances for its deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. Deferred tax liabilities generally represent items that have already been taken as a deduction on the Company's tax return but have not yet been recognized as an expense in the Company's Consolidated Statements of Earnings. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date. The Company provides for unrecognized tax benefits when, based upon the technical merits, it is "more likely than not" that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. The Company re-evaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (1) a tax audit is completed; (2) applicable tax laws change, including a tax case ruling or legislative guidance; or (3) the applicable statute of limitations expires. The Company recognizes potential accrued interest and penalties associated with unrecognized tax positions in income tax expense. Refer to Note 13 for additional information and discussion of the impact of the enactment of the Tax Cuts and Jobs Act ("TCJA") in the United States.

**Productivity Improvement and Restructuring**—The Company periodically initiates productivity improvement and restructuring activities to appropriately position the Company's cost base relative to prevailing economic conditions and associated customer demand as well as in connection with certain acquisitions. Costs associated with productivity improvement and restructuring actions can include one-time termination benefits and related charges in addition to facility closure, contract termination and other related activities. The Company records the cost of the productivity improvement and restructuring activities when the associated liability is incurred. Refer to Note 15 for additional information.

**Foreign Currency Translation**—Exchange rate adjustments resulting from foreign currency transactions are recognized in net earnings, whereas effects resulting from the translation of financial statements are reflected as a component of accumulated other comprehensive income (loss) within stockholders' equity. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using year-end exchange rates and income statement accounts are translated at weighted average rates. Net foreign currency transaction gains or losses were not material in any of the years presented. The Company uses its foreign currency-denominated debt to partially hedge its net investments in foreign operations against adverse movements in exchange rates. In January 2019, the Company entered into cross-currency swap arrangements whereby existing U.S. dollar-denominated borrowings were effectively converted to foreign currency borrowings to partially hedge additional amounts of its net investments in foreign operations against adverse movements in exchange rates.

**Derivative Financial Instruments**—The Company is neither a dealer nor a trader in derivative instruments. The Company has generally accepted the exposure to transactional exchange rate movements without using derivative instruments to manage this risk, although the Company from time to time partially hedges its net investments in foreign operations against adverse movements in exchange rates through foreign currency-denominated debt and cross-currency swaps. The Company will periodically enter into foreign currency forward contracts not exceeding 12 months to mitigate a portion of its foreign currency exchange risk and forward starting swaps to mitigate interest rate risk related to the Company's debt. When utilized, the derivative instruments are recorded on the Consolidated Balance Sheets as either an asset or liability measured at fair value. To the extent the foreign currency forward contract or forward starting swap qualifies as an effective hedge, changes in fair value are recognized in accumulated other comprehensive income (loss) in stockholders' equity. Changes in the value of the foreign

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currency denominated debt and cross-currency swaps designated as hedges of the Company's net investment in foreign operations based on spot rates are recognized in accumulated other comprehensive income (loss) in stockholders' equity and offset changes in the value of the Company's foreign currency denominated operations. The Company's use of foreign currency forward contracts and forward starting swaps during 2018, 2017 and 2016 and as of the years then ended was not significant. In January 2019, the Company entered into approximately \$1.9 billion of cross-currency swap derivative contracts on its U.S. dollar-denominated bonds to effectively convert the Company's U.S. dollar-denominated bonds to obligations denominated in Danish kroner, Japanese yen, euro and Swiss franc.

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**Accumulated Other Comprehensive Income (Loss)**—Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries. The changes in accumulated other comprehensive income (loss) by component are summarized below (\$ in millions):

	Foreign Currency Translation Adjustments	Pension & Postretirement Plan Benefit Adjustments	Unrealized Gain (Loss) on Available-For- Sale Securities Adjustments	Total
<b>Balance, January 1, 2016</b>	\$ (1,797.4)	\$ (647.3)	\$ 133.5	\$ (2,311.2)
Other comprehensive income (loss) before reclassifications:				
(Decrease) increase	(517.3)	(115.4)	39.6	(593.1)
Income tax impact	—	38.9	(14.8)	24.1
Other comprehensive income (loss) before reclassifications, net of income taxes	(517.3)	(76.5)	24.8	(569.0)
Amounts reclassified from accumulated other comprehensive income (loss):				
Increase (decrease)	—	28.0 <sup>(a)</sup>	(223.4) <sup>(b)</sup>	(195.4)
Income tax impact	—	(9.7)	83.8	74.1
Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes	—	18.3	(139.6)	(121.3)
Net current period other comprehensive income (loss), net of income taxes	(517.3)	(58.2)	(114.8)	(690.3)
Distribution of Fortive Corporation	(83.5)	63.3 <sup>(c)</sup>	—	(20.2)
<b>Balance, December 31, 2016</b>	(2,398.2)	(642.2)	18.7	(3,021.7)
Other comprehensive income (loss) before reclassifications:				
Increase	976.1	62.4	41.7	1,080.2
Income tax impact	—	(13.4)	(15.7)	(29.1)
Other comprehensive income (loss) before reclassifications, net of income taxes	976.1	49.0	26.0	1,051.1
Amounts reclassified from accumulated other comprehensive income (loss):				
Increase (decrease)	—	28.7 <sup>(a)</sup>	(72.8) <sup>(b)</sup>	(44.1)
Income tax impact	—	(6.7)	27.2	20.5
Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes	—	22.0	(45.6)	(23.6)
Net current period other comprehensive income (loss), net of income taxes	976.1	71.0	(19.6)	1,027.5
<b>Balance, December 31, 2017</b>	(1,422.1)	(571.2)	(0.9)	(1,994.2)
Adoption of accounting standards	(43.8)	(107.2)	(0.2)	(151.2)
<b>Balance, January 1, 2018</b>	(1,465.9)	(678.4)	(1.1)	(2,145.4)
Other comprehensive income (loss) before reclassifications:				
Decrease	(632.2)	(44.9)	(1.1)	(678.2)
Income tax impact	—	9.2	0.3	9.5
Other comprehensive income (loss) before reclassifications, net of income taxes	(632.2)	(35.7)	(0.8)	(668.7)
Amounts reclassified from accumulated other comprehensive income (loss):				
Increase	—	30.3 <sup>(a)</sup>	—	30.3
Income tax impact	—	(7.3)	—	(7.3)
Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes	—	23.0	—	23.0
Net current period other comprehensive income (loss), net of income taxes	(632.2)	(12.7)	(0.8)	(645.7)
<b>Balance, December 31, 2018</b>	\$ (2,098.1)	\$ (691.1)	\$ (1.9)	\$ (2,791.1)

<sup>(a)</sup> This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension and postretirement cost (refer to Notes 11 and 12 for additional details).

<sup>(b)</sup> Included in other income in the accompanying Consolidated Statements of Earnings (refer to Note 14 for additional details).

<sup>(c)</sup> This accumulated other comprehensive income (loss) component included an income tax impact of \$21 million.

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**Accounting for Stock-Based Compensation**—The Company accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, restricted stock units (“RSUs”) and performance stock units (“PSUs”), based on the fair value of the award as of the grant date. Equity-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award, except that in the case of RSUs, compensation expense is recognized using an accelerated attribution method. Refer to Note 18 for additional information on the stock-based compensation plans in which certain employees of the Company participate.

**Pension and Postretirement Benefit Plans**—The Company measures its pension and postretirement plans’ assets and its obligations that determine the respective plan’s funded status as of the end of the Company’s fiscal year, and recognizes an asset for a plan’s overfunded status or a liability for a plan’s underfunded status in its balance sheet. Changes in the funded status of the plans are recognized in the year in which the changes occur and reported in comprehensive income (loss). Refer to Notes 11 and 12 for additional information on the Company’s pension and postretirement plans including a discussion of the actuarial assumptions, the Company’s policy for recognizing the associated gains and losses and the method used to estimate service and interest cost components.

**Accounting Standards Recently Adopted**—In March 2018, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2018-05, *Income Taxes (Topic 740): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*, which allowed SEC registrants to record provisional amounts in earnings for the year ended December 31, 2017 due to the complexities involved in accounting for the enactment of the TCJA. The Company recognized the estimated income tax effects of the TCJA in its 2017 Consolidated Financial Statements in accordance with SEC Staff Accounting Bulletin No. 118 (“SAB No. 118”). The provisional amounts recorded in 2017 were adjusted to final estimates in 2018 in connection with filing tax returns for 2017. Refer to Note 13 for further information regarding the impact of these provisions for both 2017 and 2018.

In February 2018, the FASB issued ASU No. 2018-02, *Income Statement-Reporting Comprehensive Income (Topic 220) Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, to address a specific consequence of the TCJA by allowing a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the TCJA’s reduction of the U.S. federal corporate income tax rate. The ASU is effective for all entities for annual periods beginning after December 15, 2018, with early adoption permitted, and is to be applied either in the period of adoption or retrospectively to each period in which the effect of the change in the U.S. federal corporate income tax rate in the TCJA is recognized. The Company early adopted this ASU on January 1, 2018 and as a result recorded a net increase to beginning retained earnings and decrease to accumulated other comprehensive income (loss) of \$151 million to reclassify the income tax effects of the TCJA on the Company’s U.S. pension plans, available-for-sale debt securities and certain foreign currency losses. The ASU also requires the Company to disclose its policy on accounting for income tax effects in accumulated other comprehensive income (loss). In general, the Company applies the individual item approach with respect to available-for-sale debt securities and the portfolio approach with respect to pension, postretirement benefit plan obligations and currency translation matters.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*, which provided clarity on which changes to the terms or conditions of share-based payment awards require an entity to apply the modification accounting provisions required in Topic 718. The adoption of this ASU on January 1, 2018 did not have a significant impact on the Company’s Consolidated Financial Statements.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (“ASU No. 2017-07”), which requires employers to disaggregate the service cost component from other components of net periodic benefit costs and to disclose the amounts of net periodic benefit costs that are included in each income statement line item. The standard requires employers to report the service cost component in the same line item as other compensation costs and to report the other components of net periodic benefit costs (which include interest costs, expected return on plan assets, amortization of prior service cost or credits and actuarial gains and losses) separately and outside a subtotal of operating income. The service cost component of net periodic pension cost is included in cost of sales and selling, general and administrative expenses in the accompanying Consolidated Statements of Earnings and the other components of net periodic pension cost are included in nonoperating income (expense). The income statement guidance requires application on a retrospective basis. The ASU was adopted by the Company on January 1, 2018 and as a result, operating profit decreased and other income, net increased by \$31 million and \$16 million for the years ended December 31, 2017 and 2016, respectively. Refer to Notes 11 and 12 for further information on the implementation of this ASU.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU amends guidance on the classification and measurement of financial instruments, including significant revisions in accounting related to the classification and measurement of investments in equity securities and presentation of certain fair value changes for financial liabilities when the Fair Value Alternative is elected. The ASU requires equity securities



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to be measured at fair value with changes in fair value recognized through net earnings and amends certain disclosure requirements associated with the fair value of financial instruments. In the period of adoption, the Company is required to reclassify the unrealized gains/losses on equity securities within accumulated other comprehensive income (loss) to retained earnings. In February 2018, the FASB issued ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10)*, which clarified certain aspects of the previously issued ASU. The ASU was adopted by the Company on January 1, 2018 and did not have a material effect on the Company's Consolidated Financial Statements.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes nearly all existing revenue recognition guidance. The core principle of the ASU is that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB deferred the effective date of the standard by one year which resulted in the new standard being effective for the Company at the beginning of its first quarter of fiscal year 2018. In addition, during March, April, May and December 2016 and September and November 2017, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, ASU No. 2017-13, *Revenue Recognition (Topic 605)*, *Revenue from Contracts with Customers (Topic 606)*, *Leases (Topic 840)*, and *Leases (Topic 842)*, and ASU No. 2017-14, *Income Statement—Reporting Comprehensive Income (Topic 220)*, *Revenue Recognition (Topic 605)*, and *Revenue from Contracts with Customers (Topic 606)* respectively, which clarified the guidance on certain items such as reporting revenue as a principal versus agent, identifying performance obligations, accounting for intellectual property licenses, assessing collectability, presentation of sales taxes, impairment testing for contract costs, disclosure of performance obligations, and provided additional implementation guidance. Refer to the discussion above in “—Revenue Recognition” and to Note 2 for additional disclosures required by ASC 606.

**Accounting Standards Not Yet Adopted**—In August 2018, the FASB issued ASU No. 2018-14, *Disclosure Framework—Changes to the Disclosure Requirements for Defined Benefit Plans*, which amends ASC 715 to add, remove and clarify disclosure requirements related to defined benefit pension and other postretirement plans. The ASU is effective for public entities for fiscal years beginning after December 15, 2020, with early adoption permitted. Management has not yet completed its assessment of the impact of the new standard on the Company's Consolidated Financial Statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)*, which modifies the disclosures on fair value measurements by removing the requirement to disclose the amount and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy and the policy for timing of such transfers. The ASU expands the disclosure requirements for Level 3 fair value measurements, primarily focused on changes in unrealized gains and losses included in other comprehensive income (loss). The ASU is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted. Management has not yet completed its assessment of the impact of the new standard on the Company's Consolidated Financial Statements.

In August 2017, the FASB issued No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which expands and refines hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements, and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. The ASU is effective for public entities for fiscal years beginning after December 15, 2018. In January 2019, the Company entered into approximately \$1.9 billion of cross-currency swap derivative contracts to hedge its net investment in foreign operations against adverse changes in the exchange rates between the U.S. dollar and the Danish kroner, Japanese yen, euro and the Swiss franc.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses rather than incurred losses to estimate credit losses on certain types of financial instruments, including trade receivables. This may result in the earlier recognition of allowances for losses. The ASU is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which provided additional implementation guidance on the previously issued ASU. Management has not yet completed its assessment of the impact of the new standard on the Company's Consolidated Financial Statements. Currently, the Company believes that the most notable impact of this ASU will relate to its processes around the assessment of the adequacy of its allowance for doubtful accounts on trade accounts receivable and the recognition of credit losses.

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In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires lessees to recognize a right-of-use (“ROU”) asset and a lease liability for all leases with terms greater than 12 months. The standard also requires disclosures by lessees and lessors about the amount, timing and uncertainty of cash flows arising from leases. The accounting applied by a lessor is largely unchanged from that applied under the current standard. The standard must be adopted using a modified retrospective transition approach and provides for certain practical expedients. The ASU is effective for public entities for fiscal years beginning after December 15, 2018, with early adoption permitted. In September 2017, January 2018, July 2018 and December 2018, the FASB issued ASU No. 2017-13, *Revenue Recognition (Topic 605)*, *Revenue from Contracts with Customers (Topic 606)*, *Leases (Topic 840)*, and *Leases (Topic 842)*, ASU No. 2018-01, *Leases (Topic 842)*, *Land Easement Practical Expedient for Transition to Topic 842*, ASU No. 2018-10, *Codification Improvements to Topic 842, Leases*, ASU No. 2018-11, *Leases (Topic 842)*, *Targeted Improvements* and ASU No. 2018-20, *Leases (Topic 842)*, *Narrow-Scope Improvements for Lessors*, which provided additional implementation guidance on the previously issued ASU. The Company has implemented a new lease system and the related processes and controls for the accounting for leases in accordance with the ASU. On January 1, 2019, the Company adopted this ASU using the modified retrospective method for all lease arrangements at the beginning of the period of adoption. Results for reporting periods beginning January 1, 2019 will be presented under ASC 842, while prior period amounts will not be adjusted and will continue to be reported in accordance with the Company’s historic accounting under ASC 840, *Leases*. As of January 1, 2019, the standard had a material impact on the Company’s Consolidated Balance Sheet, but is expected to have an insignificant impact on the Company’s consolidated net earnings and cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases, while the accounting for finance leases remained substantially unchanged. For leases that commenced before the effective date of Topic 842, the Company elected the permitted practical expedients to not reassess the following: (i) whether any expired or existing contracts contain leases; (ii) the lease classification for any expired or existing leases; and (iii) capitalization of initial direct costs for any existing leases.

As a result of the cumulative impact of adopting ASC 842, the Company will record operating lease ROU assets of approximately \$1.0 billion and operating lease liabilities of approximately \$1.0 billion as of January 1, 2019, primarily related to real estate and automobile leases.

**NOTE 2. REVENUE**

The following table presents the Company’s revenues disaggregated by geographical region and revenue type for the year ended December 31, 2018 (\$ in millions). Sales taxes and other usage-based taxes are excluded from revenues. The Company defines high-growth markets as developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure which include Eastern Europe, the Middle East, Africa, Latin America and Asia (with the exception of Japan and Australia). The Company defines developed markets as all markets of the world that are not high-growth markets.

	Life Sciences	Diagnostics	Dental	Environmental & Applied Solutions	Total
<b>Geographical region:</b>					
North America	\$ 2,295.6	\$ 2,403.4	\$ 1,350.4	\$ 1,770.7	\$ 7,820.1
Western Europe	1,846.7	1,155.4	659.6	1,059.1	4,720.8
Other developed markets	570.0	379.1	179.9	125.7	1,254.7
High-growth markets	1,759.1	2,319.7	654.6	1,364.0	6,097.4
Total	\$ 6,471.4	\$ 6,257.6	\$ 2,844.5	\$ 4,319.5	\$ 19,893.0
<b>Revenue type:</b>					
Recurring	\$ 4,131.8	\$ 5,272.0	\$ 2,039.8	\$ 2,280.0	\$ 13,723.6
Nonrecurring	2,339.6	985.6	804.7	2,039.5	6,169.4
Total	\$ 6,471.4	\$ 6,257.6	\$ 2,844.5	\$ 4,319.5	\$ 19,893.0

The Company sells equipment to customers as well as consumables, spare parts, software licenses and services, some of which customers purchase on a recurring basis. Consumables are typically critical to the use of the equipment and are typically used on a one-time or limited basis, requiring frequent replacement in the customer’s operating cycle. Examples of these consumables include reagents used in diagnostic tests, filters used in filtration, separation and purification processes and cartridges for marking and coding equipment. Additionally, some of the Company’s consumables are used on a standalone basis, such as dental implants and water treatment solutions. The Company separates its goods and services between those sold



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on a recurring basis and those sold on a nonrecurring basis. Recurring revenue includes revenue from consumables, services, spare parts, software licenses recognized over time, SaaS licenses, sales-and-usage based royalties and OTLs. Nonrecurring revenue includes sales from equipment, software licenses recognized at a point in time and STLs. OTLs and STLs are included in the above revenue amounts. For the year ended December 31, 2018, revenue accounted for under *Topic 840, Leases* was \$402 million.

### **Remaining Performance Obligations**

ASC 606 requires disclosure of remaining performance obligations that represent the aggregate transaction price allocated to performance obligations with an original contract term greater than one year which are fully or partially unsatisfied at the end of the period. Remaining performance obligations include noncancelable purchase orders, the non-lease portion of minimum purchase commitments under long-term consumable supply arrangements, extended warranty, service and PCS contracts, SaaS and other long-term contracts. These remaining performance obligations do not include revenue from contracts with customers with an original term of one year or less, revenue from long-term consumable supply arrangements with no minimum purchase requirements or revenue expected from purchases made in excess of the minimum purchase requirements or revenue from equipment leased to customers. While the remaining performance obligation disclosure is similar in concept to backlog, the definition of remaining performance obligations excludes leases and contracts that provide the customer with the right to cancel or terminate for convenience with no substantial penalty, even if historical experience indicates the likelihood of cancellation or termination is remote. Additionally, the Company has elected to exclude contracts with customers with an original term of one year or less from remaining performance obligations while these contracts are included within backlog.

As of December 31, 2018, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately \$1.9 billion. The Company expects to recognize revenue on approximately 43% of the remaining performance obligations over the next 12 months, 27% recognized over the subsequent 12 months, and the remainder recognized thereafter.

### **Contract Balances**

The timing of revenue recognition, billings and cash collections results in billed trade accounts receivable, unbilled receivables (contract assets) and deferred revenue, customer deposits and billings in excess of revenue recognized (contract liabilities) on the Consolidated Balance Sheets. In addition, the Company defers certain costs incurred to obtain a contract (contract costs).

*Contract assets*—Most of the Company's long-term contracts are billed as work progresses in accordance with the contract terms and conditions, either at periodic intervals or upon achievement of certain milestones. Often this results in billing occurring subsequent to revenue recognition resulting in contract assets. Contract assets are generally classified as other current assets in the Consolidated Balance Sheet. The balance of contract assets as of December 31, 2018 and at the date of adoption of ASC 606 were \$82 million and \$114 million, respectively.

*Contract liabilities*—The Company often receives cash payments from customers in advance of the Company's performance resulting in contract liabilities. These contract liabilities are classified as either current or long-term in the Consolidated Balance Sheet based on the timing of when the Company expects to recognize revenue. As of December 31, 2018 and at the date of adoption of ASC 606, contract liabilities were \$799 million and \$783 million, respectively, and are included within accrued expenses and other liabilities and other long-term liabilities in the accompanying Consolidated Balance Sheet. The increase in the contract liability balance during the year ended December 31, 2018 is primarily as a result of cash payments received in advance of satisfying performance obligations and acquisitions, partially offset by revenue recognized during the period that was included in the contract liability balance at the date of adoption and foreign currency exchange. Revenue recognized during the year ended December 31, 2018 that was included in the contract liability balance at the date of adoption was \$657 million.

*Contract costs*—The Company capitalizes certain direct incremental costs incurred to obtain a contract, typically sales-related commissions, where the amortization period for the related asset is greater than one year. These costs are amortized over the contract term or a longer period, generally the expected life of the customer relationship if renewals are expected and the renewal commission is not commensurate with the initial commission. Contract costs are classified as current or long-term other assets in the Consolidated Balance Sheet based on the timing of when the Company expects to recognize the expense and are generally amortized into earnings on a straight-line basis (which is consistent with the transfer of control for the related goods or services). Management assesses these costs for impairment at least quarterly and as "triggering" events occur that indicate it is more likely than not that an impairment exists. The balance of contract costs as of December 31, 2018 and at the date of adoption were not significant. Amortization expense for the year ended December 31, 2018, was also not significant. The costs to obtain a contract where the amortization period for the related asset is one year or less are expensed as incurred and recorded within selling, general and administrative expenses in the accompanying Consolidated Statements of Earnings.

Contract assets, liabilities and costs are reported on the accompanying Consolidated Balance Sheet on a contract-by-contract basis.

### NOTE 3. ACQUISITIONS

The Company continually evaluates potential acquisitions that either strategically fit with the Company's existing portfolio or expand the Company's portfolio into a new and attractive business area. The Company has completed a number of acquisitions that have been accounted for as purchases and have resulted in the recognition of goodwill in the Company's Consolidated Financial Statements. This goodwill arises because the purchase prices for these businesses reflect a number of factors including the future earnings and cash flow potential of these businesses, the multiple to earnings, cash flow and other factors at which similar businesses have been purchased by other acquirers, the competitive nature of the processes by which the Company acquired the businesses, the avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance the Company's existing product offerings to key target markets and enter into new and profitable businesses and the complementary strategic fit and resulting synergies these businesses bring to existing operations.

The Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtains this information during due diligence and through other sources. In the months after closing, as the Company obtains additional information about these assets and liabilities, including through tangible and intangible asset appraisals, and learns more about the newly acquired business, it is able to refine the estimates of fair value and more accurately allocate the purchase price. Only items identified as of the acquisition date are considered for subsequent adjustment. The Company is continuing to evaluate certain pre-acquisition contingencies associated with certain of its 2018 acquisitions and is also in the process of obtaining valuations of certain property, plant and equipment, acquired intangible assets and certain acquisition-related liabilities in connection with these acquisitions. The Company will make appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required.

The following briefly describes the Company's acquisition activity for the three years ended December 31, 2018.

On April 13, 2018, the Company acquired Integrated DNA Technologies, Inc. ("IDT"), a privately-held manufacturer of custom DNA and RNA oligonucleotides serving customers in the academic and biopharmaceutical research, biotechnology, agriculture, clinical diagnostics and pharmaceutical development end-markets, for a purchase price of approximately \$2.1 billion, net of cash acquired. IDT had revenues of approximately \$260 million in 2017, and is now part of the Company's Life Sciences segment.

The Company financed the acquisition of IDT with available cash and proceeds from the issuance of commercial paper. The Company preliminarily recorded approximately \$1.2 billion of goodwill related to the IDT acquisition. The acquisition of IDT provides additional sales and earnings growth opportunities for the Company's Life Sciences segment by expanding the segment's product line diversity, including new product and service offerings in the area of genomics consumables, and through the potential future acquisition of complementary businesses.

In addition to the IDT acquisition, during 2018, the Company acquired one other business for total consideration of \$95 million in cash, net of cash acquired. The business acquired complements an existing unit of the Environmental & Applied Solutions segment. The aggregate annual sales of this business at the time of its acquisition, based on the company's revenues for its last completed fiscal year prior to the acquisition, were \$53 million. The Company preliminarily recorded an aggregate of \$63 million of goodwill related to this acquisition.

During 2017, the Company acquired ten businesses for total consideration of \$386 million in cash, net of cash acquired. The businesses acquired complement existing units of the Life Sciences, Dental and Environmental & Applied Solutions segments. The aggregate annual sales of these ten businesses at the time of their respective acquisitions, in each case based on the company's revenues for its last completed fiscal year prior to the acquisition, were \$160 million. The Company recorded an aggregate of \$268 million of goodwill related to these acquisitions.

On November 4, 2016, Copper Merger Sub, Inc., a California corporation and an indirect, wholly-owned subsidiary of the Company acquired all of the outstanding shares of common stock of Cepheid, a California corporation, for \$53.00 per share in cash, for a total purchase price of approximately \$4.0 billion, net of assumed debt and acquired cash (the "Cepheid Acquisition"). Cepheid is a leading global molecular diagnostics company that develops, manufactures and markets accurate and easy to use molecular systems and tests and is now part of the Company's Diagnostics segment. Cepheid generated revenues of \$539 million in 2015.

The Company initially financed the Cepheid acquisition price with available cash and proceeds from the issuance of U.S. dollar and euro-denominated commercial paper. The Company recorded approximately \$2.6 billion of goodwill related to the

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Cepheid Acquisition. As Cepheid is integrated into the Company, a process that will continue over the next several years, the Company expects to realize significant cost synergies through the application of the Danaher Business System (“DBS”) and the combined purchasing power of the Company and Cepheid.

In addition to the Cepheid Acquisition, during 2016 the Company acquired seven businesses for total consideration of \$882 million in cash, net of cash acquired. The businesses acquired complement existing units of each of the Company’s four segments. The aggregate annual sales of these seven businesses at the time of their respective acquisitions, in each case based on the company’s revenues for its last completed fiscal year prior to the acquisition, were \$237 million. The Company recorded an aggregate of \$478 million of goodwill related to these acquisitions.

The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition (\$ in millions):

	2018	2017	2016
Trade accounts receivable	\$ 41.1	\$ 21.6	\$ 97.8
Inventories	14.8	21.3	204.8
Property, plant and equipment	88.4	9.1	161.8
Goodwill	1,275.4	267.6	3,061.8
Other intangible assets, primarily customer relationships, trade names and technology	850.7	155.1	1,867.0
In-process research and development	—	—	65.0
Trade accounts payable	(6.7)	(9.9)	(50.7)
Other assets and liabilities, net	(66.5)	(75.0)	(518.0)
Assumed debt	—	—	(1.0)
Attributable to noncontrolling interest	—	(4.0)	—
Net assets acquired	2,197.2	385.8	4,888.5
Less: noncash consideration	(23.9)	—	(8.4)
Net cash consideration	<u>\$ 2,173.3</u>	<u>\$ 385.8</u>	<u>\$ 4,880.1</u>

The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for the individually significant acquisition in 2018 discussed above, and the other 2018 acquisitions separately (\$ in millions):

	IDT	Other	Total
Trade accounts receivable	\$ 36.0	\$ 5.1	\$ 41.1
Inventories	14.8	—	14.8
Property, plant and equipment	88.2	0.2	88.4
Goodwill	1,212.6	62.8	1,275.4
Other intangible assets, primarily customer relationships, trade names and technology	811.0	39.7	850.7
Trade accounts payable	(5.5)	(1.2)	(6.7)
Other assets and liabilities, net	(55.0)	(11.5)	(66.5)
Net assets acquired	2,102.1	95.1	2,197.2
Less: noncash consideration	(23.9)	—	(23.9)
Net cash consideration	<u>\$ 2,078.2</u>	<u>\$ 95.1</u>	<u>\$ 2,173.3</u>

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The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for the individually significant acquisition in 2016 discussed above, and all of the other 2016 acquisitions as a group (\$ in millions):

	Cepheid	Others	Total
Trade accounts receivable	\$ 61.4	\$ 36.4	\$ 97.8
Inventories	165.8	39.0	204.8
Property, plant and equipment	144.5	17.3	161.8
Goodwill	2,584.0	477.8	3,061.8
Other intangible assets, primarily customer relationships, trade names and technology	1,480.0	387.0	1,867.0
In-process research and development	65.0	—	65.0
Trade accounts payable	(41.2)	(9.5)	(50.7)
Other assets and liabilities, net	(452.4)	(65.6)	(518.0)
Assumed debt	(1.0)	—	(1.0)
Net assets acquired	4,006.1	882.4	4,888.5
Less: noncash consideration	(8.4)	—	(8.4)
Net cash consideration	\$ 3,997.7	\$ 882.4	\$ 4,880.1

During 2018, the Company incurred acquisition-related transaction costs and change in control payments of \$15 million associated with the IDT acquisition. In addition, the Company's earnings for 2018 reflect the pretax impact of \$1 million of nonrecurring acquisition date fair value adjustments to inventory related to the IDT acquisition.

During 2016, primarily in connection with the Cepheid Acquisition, the Company incurred \$61 million of pretax transaction-related costs, primarily banking fees, legal fees, amounts paid to other third-party advisers and change in control costs. In addition, the Company's earnings for 2016 reflect the impact of additional pretax charges of \$23 million associated with fair value adjustments to acquired inventory and deferred revenue primarily related to the Cepheid Acquisition.

Transaction-related costs and acquisition-related fair value adjustments attributable to other acquisitions were not material for the years ended December 31, 2018, 2017 and 2016.

### Acquisition of Noncontrolling Interest

In the first quarter of 2017, Danaher acquired the remaining noncontrolling interest associated with one of its prior business combinations for consideration of \$64 million. Danaher recorded the increase in ownership interests as a transaction within stockholders' equity. As a result of this transaction, noncontrolling interests were reduced by \$63 million reflecting the carrying value of the interest with the \$1 million difference charged to additional paid-in capital.

### Pro Forma Financial Information (Unaudited)

The unaudited pro forma information for the periods set forth below gives effect to the 2018 and 2017 acquisitions as if they had occurred as of January 1, 2017. The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisitions been consummated as of that time (\$ in millions except per share amounts):

	2018	2017
Sales	\$ 19,995.7	\$ 18,744.7
Net earnings from continuing operations	2,652.9	2,449.8
Diluted net earnings per share from continuing operations	3.74	3.47

The 2018 unaudited pro forma earnings set forth above were adjusted to exclude the \$1 million pretax impact of nonrecurring acquisition date fair value adjustments to inventory related to the 2018 acquisition of IDT and 2017 unaudited pro forma earnings set forth above were adjusted to include the impact of this same fair value adjustment as if the acquisition had occurred on January 1, 2017.

In addition, the acquisition-related transaction costs and change in control payments of \$15 million in 2018 associated with the IDT acquisition were excluded from pro forma earnings in both 2018 and 2017.

#### **NOTE 4. DISCONTINUED OPERATIONS AND DENTAL SEPARATION**

##### **Fortive Corporation Separation**

On July 2, 2016 (the “Distribution Date”), Danaher completed the separation (the “Fortive Separation”) of its former Test & Measurement segment, Industrial Technologies segment (excluding the product identification businesses) and retail/commercial petroleum business by distributing to Danaher stockholders on a pro rata basis all of the issued and outstanding common stock of Fortive Corporation (“Fortive”), the entity Danaher incorporated to hold such businesses. To effect the Fortive Separation, Danaher distributed to its stockholders one share of Fortive common stock for every two shares of Danaher common stock outstanding as of June 15, 2016, the record date for the distribution. Fractional shares of Fortive common stock that otherwise would have been distributed were aggregated and sold into the public market and the proceeds distributed to Danaher stockholders.

In preparation for the Fortive Separation, in June 2016 Fortive issued approximately \$3.4 billion in debt securities (refer to Note 10). The proceeds from these borrowings were used to fund the approximately \$3.0 billion net cash distributions Fortive made to Danaher prior to the Distribution Date (“Fortive Distribution”). Danaher used a portion of the cash distribution proceeds to repay the \$500 million aggregate principal amount of 2.3% senior unsecured notes that matured in June 2016 and to redeem approximately \$1.9 billion in aggregate principal amount of outstanding indebtedness in August 2016 (consisting of the Company’s 5.625% senior unsecured notes due 2018, 5.4% senior unsecured notes due 2019 and 3.9% senior unsecured notes due 2021, collectively the “Redeemed Notes”). Danaher also paid an aggregate of \$188 million in make-whole premiums in connection with the August 2016 redemptions, plus accrued and unpaid interest. The Company used the balance of the Fortive Distribution to fund certain of the Company’s regular, quarterly cash dividends to shareholders.

The accounting requirements for reporting the Fortive Separation as a discontinued operation were met when the separation was completed. Accordingly, the accompanying Consolidated Financial Statements for all periods presented reflect this business as a discontinued operation. The Company allocated a portion of the consolidated interest expense and income to discontinued operations based on the ratio of the discontinued business’ net assets to the Company’s consolidated net assets. Fortive had revenues of approximately \$3.0 billion in 2016 prior to the Fortive Separation.

As a result of the Fortive Separation, the Company incurred \$48 million in Fortive Separation-related costs during the year ended December 31, 2016 which are included in earnings from discontinued operations, net of income taxes in the accompanying Consolidated Statement of Earnings. These Fortive Separation costs primarily relate to professional fees associated with preparation of regulatory filings and Separation activities within finance, tax, legal and information system functions as well as certain investment banking fees incurred upon the Fortive Separation.

In connection with the Fortive Separation, Danaher and Fortive entered into various agreements to effect the Fortive Separation and provide a framework for their relationship after the Fortive Separation, including a transition services agreement, an employee matters agreement, a tax matters agreement, an intellectual property matters agreement and a DBS license agreement. These agreements provide for the allocation between Danaher and Fortive of assets, employees, liabilities and obligations (including investments, property and employee benefits and tax-related assets and liabilities) attributable to periods prior to, at and after Fortive’s separation from Danaher and govern certain relationships between Danaher and Fortive after the Fortive Separation. In addition, Danaher is also party to various commercial agreements with Fortive entities. The amount billed for transition services provided under the above agreements as well as sales and purchases to and from Fortive were not material to the Company’s results of operations for the years ended December 31, 2018, 2017 and 2016.

In 2017, Danaher recorded a \$22 million income tax benefit related to the release of previously provided reserves associated with uncertain tax positions on certain Danaher tax returns which were jointly filed with Fortive entities. These reserves were released due to the expiration of statutes of limitations for those returns. All Fortive entity-related balances were included in the income tax benefit related to discontinued operations.

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The key components of income from discontinued operations for the years ended December 31 were as follows (\$ in millions):

	2017	2016
Sales	\$ —	\$ 3,029.8
Cost of sales	—	(1,566.4)
Selling, general and administrative expenses	—	(696.0)
Research and development expenses	—	(190.4)
Interest expense	—	(19.7)
Income from discontinued operations before income taxes	—	557.3
Income taxes	22.3	(157.0)
Earnings from discontinued operations, net of income taxes	\$ 22.3	\$ 400.3

### Dental Separation

In July 2018, the Company announced its intention to spin-off its Dental business into an independent publicly-traded company (the “Dental Separation”). The Dental business had sales for the year ended December 31, 2018 of approximately \$2.8 billion. The transaction is expected to be tax-free to the Company’s shareholders. The Company is targeting to complete the Dental Separation in the second half of 2019, subject to the satisfaction of certain conditions, including obtaining final approval from the Danaher Board of Directors, satisfactory completion of financing, receipt of tax opinions, receipt of favorable rulings from the Internal Revenue Service (“IRS”) and receipt of other regulatory approvals.

### NOTE 5. INVENTORIES

The classes of inventory as of December 31 are summarized as follows (\$ in millions):

	2018	2017
Finished goods	\$ 1,031.2	\$ 982.5
Work in process	313.9	309.7
Raw materials	565.0	548.6
Total	\$ 1,910.1	\$ 1,840.8

As of December 31, 2018 and 2017, the difference between inventories valued at LIFO and the value of that same inventory if the FIFO method had been used was not significant. The liquidation of LIFO inventory did not have a significant impact on the Company’s results of operations in any period presented.

### NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The classes of property, plant and equipment as of December 31 are summarized as follows (\$ in millions):

	2018	2017
Land and improvements	\$ 176.5	\$ 155.6
Buildings	1,047.8	1,009.5
Machinery and equipment	2,482.3	2,239.5
Customer-leased equipment	1,632.9	1,569.4
Gross property, plant and equipment	5,339.5	4,974.0
Less: accumulated depreciation	(2,828.3)	(2,519.4)
Property, plant and equipment, net	\$ 2,511.2	\$ 2,454.6

**NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS**

As discussed in Note 3, goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities and noncontrolling interests. Management assesses the goodwill of each of its reporting units for impairment at least annually at the beginning of the fourth quarter and as “triggering” events occur that indicate that it is more likely than not that an impairment exists. The Company elected to bypass the optional qualitative goodwill assessment allowed by applicable accounting standards and performed a quantitative impairment test for all reporting units as this was determined to be the most effective method to assess for impairment across a large spectrum of reporting units.

The Company estimates the fair value of its reporting units primarily using a market approach, based on current trading multiples of earnings before interest, taxes, depreciation and amortization (“EBITDA”) for companies operating in businesses similar to each of the Company’s reporting units, in addition to recent available market sale transactions of comparable businesses. In certain circumstances the Company also estimates fair value utilizing a discounted cash flow analysis (i.e., an income approach) in order to validate the results of the market approach. If the estimated fair value of the reporting unit is less than its carrying value, the Company must perform additional analysis to determine if the reporting unit’s goodwill has been impaired.

As of December 31, 2018, the Company had eight reporting units for goodwill impairment testing. As of the date of the 2018 annual impairment test, the carrying value of the goodwill included in each individual reporting unit ranged from \$511 million to approximately \$13.3 billion. No goodwill impairment charges were recorded for the years ended December 31, 2018, 2017 and 2016 and no “triggering” events have occurred subsequent to the performance of the 2018 annual impairment test. The factors used by management in its impairment analysis are inherently subject to uncertainty. If actual results are not consistent with management’s estimates and assumptions, goodwill and other intangible assets may be overstated and a charge would need to be taken against net earnings.

The following is a rollforward of the Company’s goodwill by segment (\$ in millions):

	Life Sciences	Diagnostics	Dental	Environmental & Applied Solutions	Total
<b>Balance, January 1, 2017</b>	\$ 11,610.3	\$ 6,903.0	\$ 3,215.6	\$ 2,098.0	\$ 23,826.9
Attributable to 2017 acquisitions	95.5	—	2.8	169.3	267.6
Adjustments due to finalization of purchase price allocations	(19.1)	(39.6) <sup>(a)</sup>	8.8	—	(49.9)
Foreign currency translation and other	648.8	216.1	142.8	86.3	1,094.0
<b>Balance, December 31, 2017</b>	<b>12,335.5</b>	<b>7,079.5</b>	<b>3,370.0</b>	<b>2,353.6</b>	<b>25,138.6</b>
Attributable to 2018 acquisitions	1,212.6	—	—	62.8	1,275.4
Adjustments due to finalization of purchase price allocations	2.8	—	—	4.7	7.5
Foreign currency translation and other	(239.9)	(153.9)	(44.5)	(77.2)	(515.5)
<b>Balance, December 31, 2018</b>	<b>\$ 13,311.0</b>	<b>\$ 6,925.6</b>	<b>\$ 3,325.5</b>	<b>\$ 2,343.9</b>	<b>\$ 25,906.0</b>

<sup>(a)</sup> This adjustment is primarily related to finalization of the Cepheid purchase price allocations.

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Finite-lived intangible assets are amortized over their legal or estimated useful life. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible assets as of December 31 (\$ in millions):

	2018		2017	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Finite-lived intangibles:</b>				
Patents and technology	\$ 2,985.3	\$ (945.2)	\$ 2,363.5	\$ (783.7)
Customer relationships and other intangibles	7,302.8	(2,661.3)	7,354.9	(2,203.6)
Trademarks and trade names	190.7	(28.0)	23.9	(14.0)
<b>Total finite-lived intangibles</b>	<b>10,478.8</b>	<b>(3,634.5)</b>	<b>9,742.3</b>	<b>(3,001.3)</b>
<b>Indefinite-lived intangibles:</b>				
Trademarks and trade names	4,828.8	—	4,926.1	—
<b>Total intangibles</b>	<b>\$ 15,307.6</b>	<b>\$ (3,634.5)</b>	<b>\$ 14,668.4</b>	<b>\$ (3,001.3)</b>

During 2018, the Company acquired finite-lived intangible assets, consisting primarily of technology, with a weighted average life of 18 years. During 2017, the Company acquired finite-lived intangible assets, consisting primarily of customer relationships, with a weighted average life of nine years. Refer to Note 3 for additional information on the intangible assets acquired.

Total intangible amortization expense in 2018, 2017 and 2016 was \$706 million, \$661 million and \$583 million, respectively. Based on the intangible assets recorded as of December 31, 2018, amortization expense is estimated to be \$720 million during 2019, \$709 million during 2020, \$694 million during 2021, \$673 million during 2022 and \$665 million during 2023.

**NOTE 8. FAIR VALUE MEASUREMENTS**

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value where the Company's assets and liabilities are required to be carried at fair value and provide for certain disclosures related to the valuation methods used within a valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation. Level 3 inputs are unobservable inputs based on the Company's assumptions. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

A summary of financial assets and liabilities that are measured at fair value on a recurring basis were as follows (\$ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>December 31, 2018:</b>				
Assets:				
Available-for-sale debt securities	\$ —	\$ 38.3	\$ —	\$ 38.3
Investment in equity securities	—	—	148.9	148.9
Liabilities:				
Deferred compensation plans	—	60.9	—	60.9
<b>December 31, 2017:</b>				
Assets:				
Available-for-sale debt securities	\$ —	\$ 45.4	\$ —	\$ 45.4
Liabilities:				
Deferred compensation plans	—	62.9	—	62.9



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Available-for-sale debt securities, which are included in other long-term assets in the accompanying Consolidated Balance Sheets, are measured at fair value using quoted prices reported by investment brokers and dealers based on the underlying terms of the security and comparison to similar securities traded on an active market. As of December 31, 2018, available-for-sale debt securities primarily include U.S. Treasury Notes and corporate debt securities, which are valued based on the terms of the instruments in comparison with similar terms on the active market.

The Company has established nonqualified deferred compensation programs that permit officers, directors and certain management employees to defer a portion of their compensation, on a pretax basis, until after their termination of employment (or board service, as applicable). All amounts deferred under such plans are unfunded, unsecured obligations of the Company and are presented as a component of the Company's compensation and benefits accrual included in other long-term liabilities in the accompanying Consolidated Balance Sheets (refer to Note 9). Participants may choose among alternative earnings rates for the amounts they defer, which are primarily based on investment options within the Company's 401(k) program. Changes in the deferred compensation liability under these programs are recognized based on changes in the fair value of the participants' accounts, which are based on the applicable earnings rates. Amounts unilaterally contributed to participant accounts by the Company are deemed invested in the Company's common stock and future distributions of such contributions will be made solely in shares of common stock. As a result, Company contributions to this program are not reflected in the above amounts.

The Company's investments in equity securities are measured at fair value and are adjusted for observable transactions for identical or similar investments of the same issuer or impairment. These securities are classified as Level 3 in the fair value hierarchy because the Company estimates the fair value based on the measurement alternative to record these investments at cost and to adjust for impairments and observable price changes with a same or similar security from the same issuer within net earnings (the "Fair Value Alternative"). The investments in equity securities includes investments that the Company has made as a limited partner in a partnership for which the underlying investments are recorded on a fair value basis.

### Fair Value of Financial Instruments

The carrying amounts and fair values of the Company's financial instruments as of December 31 were as follows (\$ in millions):

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Assets:</b>				
Available-for-sale debt securities	\$ 38.3	\$ 38.3	\$ 45.4	\$ 45.4
Investment in equity securities	148.9	148.9	—	—
<b>Liabilities:</b>				
Notes payable and current portion of long-term debt	51.8	51.8	194.7	194.7
Long-term debt	9,688.5	9,990.6	10,327.4	10,847.1

As of December 31, 2018 investments in non-marketable equity securities were categorized as Level 3. As of December 31, 2018 and 2017, available-for-sale debt securities were categorized as Level 2 and short and long-term borrowings were categorized as Level 1.

The fair value of long-term borrowings was based on quoted market prices. The difference between the fair value and the carrying amounts of long-term borrowings (other than the Company's Liquid Yield Option Notes due 2021 (the "LYONs")) is attributable to changes in market interest rates and/or the Company's credit ratings subsequent to the incurrence of the borrowing. In the case of the LYONs, differences in the fair value from the carrying value are attributable to changes in the price of the Company's common stock due to the LYONs' conversion features. The fair values of borrowings with original maturities of one year or less, as well as cash and cash equivalents, trade accounts receivable, net and trade accounts payable approximate their carrying amounts due to the short-term maturities of these instruments.

Refer to Note 11 for information related to the fair value of the Company sponsored defined benefit pension plan assets.

**NOTE 9. ACCRUED EXPENSES AND OTHER LIABILITIES**

Accrued expenses and other liabilities as of December 31 were as follows (\$ in millions):

	2018		2017	
	Current	Noncurrent	Current	Noncurrent
Compensation and benefits	\$ 1,026.8	\$ 236.9	\$ 961.0	\$ 236.2
Pension and postretirement benefits	75.2	961.9	95.8	1,052.0
Taxes, income and other	292.4	3,577.7	386.4	3,543.6
Deferred revenue	685.2	113.8	666.0	104.9
Sales and product allowances	167.8	2.0	155.7	2.0
Other	829.5	183.5	822.8	222.4
<b>Total</b>	<b>\$ 3,076.9</b>	<b>\$ 5,075.8</b>	<b>\$ 3,087.7</b>	<b>\$ 5,161.1</b>

**NOTE 10. FINANCING**

The components of the Company's debt as of December 31 were as follows (\$ in millions):

	2018	2017
U.S. dollar-denominated commercial paper	\$ 72.8	\$ 436.9
Euro-denominated commercial paper (€2.1 billion and €1.7 billion, respectively)	2,377.5	1,993.9
1.65% senior unsecured notes due 2018 (the "2018 U.S. Notes")	—	499.2
1.0% senior unsecured notes due 2019 (€600.0 million aggregate principal amount) (the "2019 Euronotes")	687.0	718.4
2.4% senior unsecured notes due 2020 (the "2020 U.S. Notes")	498.5	497.7
5.0% senior unsecured notes due 2020 (the "2020 Assumed Pall Notes")	386.7	394.6
Zero-coupon LYONs due 2021	56.2	69.1
0.352% senior unsecured notes due 2021 (¥30.0 billion aggregate principal amount) (the "2021 Yen Notes")	273.2	265.5
1.7% senior unsecured notes due 2022 (€800.0 million aggregate principal amount) (the "2022 Euronotes")	913.2	955.6
Floating rate senior unsecured notes due 2022 (€250.0 million aggregate principal amount) (the "Floating Rate 2022 Euronotes")	285.7	299.1
0.5% senior unsecured bonds due 2023 (CHF 540.0 million aggregate principal amount) (the "2023 CHF Bonds")	550.7	555.5
2.5% senior unsecured notes due 2025 (€800.0 million aggregate principal amount) (the "2025 Euronotes")	912.6	955.6
3.35% senior unsecured notes due 2025 (the "2025 U.S. Notes")	496.8	496.3
0.3% senior unsecured notes due 2027 (¥30.8 billion aggregate principal amount) (the "2027 Yen Notes")	279.9	272.2
1.2% senior unsecured notes due 2027 (€600.0 million aggregate principal amount) (the "2027 Euronotes")	682.0	714.1
1.125% senior unsecured bonds due 2028 (CHF 210.0 million aggregate principal amount) (the "2028 CHF Bonds")	218.1	220.3
0.65% senior unsecured notes due 2032 (¥53.2 billion aggregate principal amount) (the "2032 Yen Notes")	483.4	470.2
4.375% senior unsecured notes due 2045 (the "2045 U.S. Notes")	499.3	499.3
Other	66.7	208.6
<b>Total debt</b>	<b>9,740.3</b>	<b>10,522.1</b>
Less: currently payable	51.8	194.7
<b>Long-term debt</b>	<b>\$ 9,688.5</b>	<b>\$ 10,327.4</b>

Debt discounts, premiums and debt issuance costs totaled \$19 million and \$25 million as of December 31, 2018 and 2017, respectively, and have been netted against the aggregate principal amounts of the related debt in the components of debt table above.

### **Commercial Paper Programs and Credit Facilities**

In 2015, the Company entered into a \$4.0 billion unsecured multi-year revolving credit facility with a syndicate of banks that expires on July 10, 2020, subject to a one-year extension option at the request of the Company with the consent of the lenders (the "Credit Facility"). In 2018, the Company also entered into a \$1.0 billion 364-day unsecured revolving credit facility with a syndicate of banks that was scheduled to expire in March 2019 (the "364-Day Facility"), to provide additional liquidity support for issuances under the Company's U.S. and euro-denominated commercial paper programs. The increase in the size of the Company's commercial paper programs provided necessary capacity for the Company to use proceeds from the issuance of commercial paper to fund the purchase price for the IDT acquisition. The Company terminated the 364-Day Facility on November 6, 2018. No borrowings were outstanding under the 364-Day Facility at any time, nor under the Credit Facility at any time from inception through December 31, 2018. Total fees incurred by the Company related to the 364-Day Facility and its termination were not significant.

Under the Company's U.S. and euro-denominated commercial paper programs, the Company or a subsidiary of the Company, as applicable, may issue and sell unsecured, short-term promissory notes. The notes are typically issued at a discount from par, generally based on the ratings assigned to the Company by credit rating agencies at the time of the issuance and prevailing market rates measured by reference to LIBOR or EURIBOR. The Credit Facility provides liquidity support for issuances under the Company's commercial paper programs, and can also be used for working capital and other general corporate purposes. The availability of the Credit Facility as a standby liquidity facility to repay maturing commercial paper is an important factor in maintaining the existing credit ratings of the Company's commercial paper programs. The Company expects to limit any borrowings under the Credit Facility to amounts that would leave sufficient available borrowing capacity under such facility to allow the Company to borrow, if needed, to repay all of the outstanding commercial paper as it matures. As commercial paper obligations mature, the Company may issue additional short-term commercial paper obligations to refinance all or part of these borrowings. As of December 31, 2018, borrowings outstanding under the Company's U.S. and euro commercial paper programs had a weighted average annual interest rate of negative 0.2% and a weighted average remaining maturity of approximately 37 days. As of December 31, 2018, the Company has classified approximately \$2.5 billion of its borrowings outstanding under the commercial paper programs as well as the 2019 Euronotes as long-term debt in the accompanying Consolidated Balance Sheet as the Company had the intent and ability, as supported by availability under the Credit Facility referenced above, to refinance these borrowings for at least one year from the balance sheet date.

Under the Credit Facility, borrowings (other than bid loans) bear interest at a rate equal to (at the Company's option) either (1) a LIBOR-based rate (the "LIBOR-Based Rate"), or (2) the highest of (a) the Federal funds rate plus 0.5%, (b) the prime rate and (c) the LIBOR-Based Rate plus 1%, plus a specified margin that varies according to the Company's long-term debt credit rating. In addition to certain initial fees the Company paid with respect to the Credit Facility at inception of the facility, the Company is obligated to pay an annual commitment or facility fee under the Credit Facility that varies according to the Company's long-term debt credit rating. The Credit Facility requires the Company to maintain a consolidated leverage ratio (as defined in the respective facility) of 0.65 to 1.00 or less, and also contains customary representations, warranties, conditions precedent, events of default, indemnities and affirmative and negative covenants. As of December 31, 2018, no borrowings were outstanding under the Credit Facility and the Company was in compliance with all covenants under the facility. The nonperformance by any member of the Credit Facility syndicate would reduce the maximum capacity of the Credit Facility by such member's commitment amount.

The Company's ability to access the commercial paper market, and the related costs of these borrowings, is affected by the strength of the Company's credit rating and market conditions. Any downgrade in the Company's credit rating would increase the cost of borrowings under the Company's commercial paper program and the Credit Facility, and could limit or preclude the Company's ability to issue commercial paper. If the Company's access to the commercial paper market is adversely affected due to a credit downgrade, change in market conditions or otherwise, the Company expects it would rely on a combination of available cash, operating cash flow and the Credit Facility to provide short-term funding. In such event, the cost of borrowings under the Credit Facility could be higher than the cost of commercial paper borrowings.

In addition to the Credit Facility, the Company has also entered into reimbursement agreements with various commercial banks to support the issuance of letters of credit.

**Long-Term Indebtedness**

The following summarizes the key terms for the Company's long-term debt as of December 31, 2018:

	Outstanding Balance as of December 31, 2018	Stated Annual Interest Rate	Issue Price (as % of Principal Amount)	Issue Date	Maturity Date	Interest Payment Dates (in arrears)
2019 Euronotes <sup>(1)</sup>	\$ 687.0	1.0%	99.696%	July 8, 2015	July 8, 2019	July 8
2020 U.S. Notes <sup>(3)</sup>	498.5	2.4%	99.757%	September 15, 2015	September 15, 2020	March 15 and September 15
2020 Assumed Pall Notes <sup>(5)</sup>	386.7	5.0%	not applicable	not applicable	June 15, 2020	June 15 and December 15
2021 LYONs	56.2	see below	not applicable	January 22, 2001	January 22, 2021	January 22 and July 22
2021 Yen Notes <sup>(4)</sup>	273.2	0.352%	100%	February 28, 2016	March 16, 2021	September 16
2022 Euronotes <sup>(1)</sup>	913.2	1.7%	99.651%	July 8, 2015	January 4, 2022	January 4
Floating Rate 2022 Euronotes <sup>(6)</sup>	285.7	three-month EURIBOR + 0.3%	100.147%	June 30, 2017	June 30, 2022	March 30, June 30, September 30 and December 31
2023 CHF Bonds <sup>(2)</sup>	550.7	0.5%	100.924%	December 8, 2015	December 8, 2023	December 8
2025 Euronotes <sup>(1)</sup>	912.6	2.5%	99.878%	July 8, 2015	July 8, 2025	July 8
2025 U.S. Notes <sup>(3)</sup>	496.8	3.35%	99.857%	September 15, 2015	September 15, 2025	March 15 and September 15
2027 Yen Notes <sup>(7)</sup>	279.9	0.3%	100%	May 11, 2017	May 11, 2027	May 11 and November 11
2027 Euronotes <sup>(6)</sup>	682.0	1.2%	99.682%	June 30, 2017	June 30, 2027	June 30
2028 CHF Bonds <sup>(2)</sup>	218.1	1.125%	102.870%	December 8, 2015 and December 8, 2017	December 8, 2028	December 8
2032 Yen Notes <sup>(7)</sup>	483.4	0.65%	100%	May 11, 2017	May 11, 2032	May 11 and November 11
2045 U.S. Notes <sup>(3)</sup>	499.3	4.375%	99.784%	September 15, 2015	September 15, 2045	March 15 and September 15
U.S. dollar and euro-denominated commercial paper	2,450.3	various	various	various	various	various
Other	66.7	various	various	various	various	various
Total debt	<u>\$ 9,740.3</u>					

- <sup>(1)</sup> The net proceeds, after underwriting discounts and commissions and offering expenses, of approximately €2.2 billion (approximately \$2.4 billion based on currency exchange rates as of the date of issuance) from these notes were used to pay a portion of the purchase price for the acquisition of Pall Corporation in 2015 (the "Pall Acquisition").
- <sup>(2)</sup> The net proceeds, including the related premium, and after underwriting discounts and commissions and offering expenses, of CHF 758 million (\$739 million based on currency exchange rates as of date of pricing) from these bonds were used to repay a portion of the commercial paper issued to finance the Pall Acquisition and the CHF 100 million aggregate principal amount of the 0.0% senior unsecured bonds (the "2017 CHF Bonds") that matured in December 2017.
- <sup>(3)</sup> The net proceeds, after underwriting discounts and commissions and offering expenses, of approximately \$2.0 billion from these notes were used to repay a portion of the commercial paper issued to finance the Pall Acquisition.
- <sup>(4)</sup> The net proceeds, after offering expenses, of approximately ¥29.9 billion (\$262 million based on currency exchange rates as of the date of issuance) from these notes were used to repay a portion of the commercial paper borrowings issued to finance the Pall Acquisition.
- <sup>(5)</sup> In connection with the Pall Acquisition, the Company acquired senior unsecured notes previously issued by Pall with an aggregate principal amount of \$375 million. In accordance with accounting for business combinations, these notes were recorded at their fair value of \$417 million on the date of acquisition and for accounting purposes, interest charges on these notes recorded in the Company's Consolidated Statement of Earnings reflect an effective interest rate of approximately 2.9% per year.
- <sup>(6)</sup> The net proceeds at issuance, after offering expenses, of €843 million (\$940 million based on currency exchange rates as of the date of pricing) from these notes were used to partially repay commercial paper borrowings.
- <sup>(7)</sup> The net proceeds at issuance, after offering expenses, of approximately ¥83.6 billion (\$744 million based on currency exchange rates as of the date of pricing) from these notes were used to partially repay commercial paper borrowings.

### LYONs

In 2001, the Company issued \$830 million (value at maturity) in LYONs. The net proceeds to the Company were \$505 million, of which approximately \$100 million was used to pay down debt and the balance was used for general corporate purposes, including acquisitions. The LYONs originally carry a yield to maturity of 2.375% (with contingent interest payable as described below). Pursuant to the terms of the indenture that governs the Company's LYONs, effective as of the record date of the distribution of the Fortive shares, the conversion ratio of the LYONs was adjusted so that each \$1,000 of principal amount at maturity may be converted into 38.1998 shares of Danaher common stock at any time on or before the maturity date of January 22, 2021.

During the year ended December 31, 2018, holders of certain of the Company's LYONs converted such LYONs into an aggregate of approximately 585 thousand shares of the Company's common stock, par value \$0.01 per share. The Company's deferred tax liability associated with the book and tax basis difference in the converted LYONs of \$5 million was transferred to additional paid-in capital as a result of the conversions.

As of December 31, 2018, an aggregate of approximately 22 million shares of the Company's common stock had been issued upon conversion of LYONs. As of December 31, 2018, the accreted value of the outstanding LYONs was lower than the traded market value of the underlying common stock issuable upon conversion. The Company may redeem all or a portion of the LYONs for cash at any time at scheduled redemption prices.

Under the terms of the LYONs, the Company pays contingent interest to the holders of LYONs during any six-month period from January 23 to July 22 and from July 23 to January 22 if the average market price of a LYON for a specified measurement period equals 120% or more of the sum of the issue price and accrued original issue discount for such LYON. The amount of contingent interest to be paid with respect to any quarterly period is equal to the higher of either 0.0315% of the bonds' average market price during the specified measurement period or the amount of the cash dividend paid on Danaher's common stock during such quarterly period multiplied by the number of shares issuable upon conversion of a LYON. The Company paid \$2 million, \$2 million and \$1 million of contingent interest on the LYONs for each of the years ended December 31, 2018, 2017 and 2016, respectively. Except for the contingent interest described above, the Company will not pay interest on the LYONs prior to maturity.

### Long-Term Debt Repayments

The \$500 million aggregate principal amount of 2018 U.S. Notes were repaid with accrued interest upon their maturity in September 2018 using available cash and proceeds from commercial paper borrowings.

The €500 million aggregate principal amount of the floating rate senior unsecured notes due 2017 were repaid with accrued interest upon their maturity in June 2017 and the 2017 CHF Bonds were repaid upon their maturity in December 2017.

### **Covenants and Redemption Provisions Applicable to Notes**

With respect to the 2020 Assumed Pall Notes; the 2027 and 2032 Yen Notes; the 2019, 2022, 2025 and 2027 Euronotes; and the 2020, 2025 and 2045 U.S. Notes, at any time prior to the applicable maturity date (or in certain cases three months prior to the maturity date), the Company may redeem the applicable series of notes in whole or in part, by paying the principal amount and the "make-whole" premium specified in the applicable indenture or comparable governing document, plus accrued and unpaid interest (and in the case of the Yen Notes, net of certain swap-related gains or losses as applicable). With respect to each of the 2023 and 2028 CHF Bonds at any time after 85% or more of the applicable bonds have been redeemed or purchased and canceled, the Company may redeem some or all of the remaining bonds for their principal amount plus accrued and unpaid interest. With respect to the 2021, 2027 and 2032 Yen Notes; the 2019, 2022, Floating Rate 2022, 2025 and 2027 Euronotes; and the 2023 and 2028 CHF Bonds, the Company may redeem such notes and bonds upon the occurrence of specified, adverse changes in tax laws, or interpretations under such laws, at a redemption price equal to the principal amount of the bonds to be redeemed.

If a change of control triggering event occurs with respect to any of the 2020 Assumed Pall Notes; the 2021, 2027 and 2032 Yen Notes; the 2019, 2022, Floating Rate 2022, 2025 and 2027 Euronotes; the 2020, 2025 and 2045 U.S. Notes; or the 2023 and 2028 CHF Bonds, each holder of such notes may require the Company to repurchase some or all of such notes and bonds at a purchase price equal to 101% (100% in the case of the 2027 and 2032 Yen Notes) of the principal amount of the notes and bonds, plus accrued and unpaid interest (and in the case of the Yen Notes, certain swap-related losses as applicable). A change of control triggering event means the occurrence of both a change of control and a rating event, each as defined in the applicable indenture or comparable governing document. Except in connection with a change of control triggering event, the Company does not have any credit rating downgrade triggers that would accelerate the maturity of a material amount of outstanding debt. Each holder of the 2027 and 2032 Yen Notes may also require the Company to repurchase some or all of its

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notes at a purchase price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest and certain swap-related losses as applicable, in certain circumstances whereby such holder comes into violation of economic sanctions laws as a result of holding such notes.

The respective indentures or comparable governing documents under which the above-described notes and bonds were issued contain customary covenants including, for example, limits on the incurrence of secured debt and sale/leaseback transactions. None of these covenants are considered restrictive to the Company's operations and as of December 31, 2018, the Company was in compliance with all of its debt covenants.

**Guarantors of Debt**

The Company has guaranteed long-term debt and commercial paper issued by certain of its wholly-owned subsidiaries. The 2019 Euronotes, 2022 Euronotes, Floating Rate 2022 Euronotes, 2025 Euronotes and 2027 Euronotes were issued by DH Europe Finance S.A. ("Danaher International"). The 2023 CHF Bonds and 2028 CHF Bonds were issued by DH Switzerland Finance S.A. ("Danaher Switzerland"). The 2021 Yen Notes, 2027 Yen Notes and 2032 Yen Notes were issued by DH Japan Finance S.A. ("Danaher Japan"). Each of Danaher International, Danaher Switzerland and Danaher Japan are wholly-owned finance subsidiaries of Danaher Corporation. All of the securities issued by each of these entities, as well as the 2020 Assumed Pall Notes, are fully and unconditionally guaranteed by the Company and these guarantees rank on parity with the Company's unsecured and unsubordinated indebtedness.

**Other**

The Company's minimum principal payments for the next five years are as follows (\$ in millions):

2019	\$	51.8
2020		4,021.8
2021		327.5
2022		1,211.9
2023		548.1
Thereafter		3,579.2

The Company made interest payments of \$140 million, \$130 million and \$212 million in 2018, 2017 and 2016, respectively.

**NOTE 11. PENSION BENEFIT PLANS**

The Company has noncontributory defined benefit pension plans which cover certain of its U.S. employees. During 2012, all remaining benefit accruals under the U.S. plans ceased. Defined benefit plans from acquisitions subsequent to 2012 are ceased as soon as practical. The Company also has noncontributory defined benefit pension plans which cover certain of its non-U.S. employees, and under certain of these plans, benefit accruals continue. In general, the Company's policy is to fund these plans based on considerations relating to legal requirements, underlying asset returns, the plan's funded status, the anticipated tax deductibility of the contribution, local practices, market conditions, interest rates and other factors.

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The following sets forth the funded status of the U.S. and non-U.S. plans as of the most recent actuarial valuations using measurement dates of December 31 (\$ in millions):

	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	2018	2017	2018	2017
<b>Change in pension benefit obligation:</b>				
Benefit obligation at beginning of year	\$ (2,612.9)	\$ (2,558.1)	\$ (1,571.8)	\$ (1,493.0)
Service cost	(6.7)	(7.3)	(35.5)	(32.7)
Interest cost	(81.0)	(82.3)	(25.1)	(25.5)
Employee contributions	—	—	(9.3)	(8.2)
Benefits and other expenses paid	179.0	181.8	51.4	58.3
Acquisitions and other	—	—	(3.6)	—
Actuarial gain (loss)	145.2	(139.9)	68.9	51.4
Amendments, settlements and curtailments	31.4	(7.1)	26.5	10.5
Foreign exchange rate impact	—	—	56.2	(132.6)
Benefit obligation at end of year	<u>(2,345.0)</u>	<u>(2,612.9)</u>	<u>(1,442.3)</u>	<u>(1,571.8)</u>
<b>Change in plan assets:</b>				
Fair value of plan assets at beginning of year	2,004.9	1,868.2	1,199.3	1,042.9
Actual (loss) return on plan assets	(72.1)	265.3	(19.9)	74.6
Employer contributions	55.1	53.2	52.4	44.7
Employee contributions	—	—	9.3	8.2
Amendments and settlements	(30.6)	—	(28.2)	(3.7)
Benefits and other expenses paid	(179.0)	(181.8)	(51.4)	(58.3)
Acquisitions and other	—	—	1.9	—
Foreign exchange rate impact	—	—	(45.0)	90.9
Fair value of plan assets at end of year	<u>1,778.3</u>	<u>2,004.9</u>	<u>1,118.4</u>	<u>1,199.3</u>
Funded status	<u>\$ (566.7)</u>	<u>\$ (608.0)</u>	<u>\$ (323.9)</u>	<u>\$ (372.5)</u>

**Weighted average assumptions used to determine benefit obligations at date of measurement:**

	U.S. Plans		Non-U.S. Plans	
	2018	2017	2018	2017
Discount rate	4.3%	3.6%	2.0%	1.8%
Rate of compensation increase	4.0%	4.0%	2.3%	2.2%

**Components of net periodic pension benefit (cost):**

(\$ in millions)	U.S. Pension Benefits		Non-U.S. Pension Benefits	
	2018	2017	2018	2017
Service cost	\$ (6.7)	\$ (7.3)	\$ (35.5)	\$ (32.7)
Interest cost	(81.0)	(82.3)	(25.1)	(25.5)
Expected return on plan assets	132.0	130.5	46.9	42.4
Amortization of prior service (cost) credit	(0.9)	—	0.5	0.3
Amortization of net loss	(31.3)	(24.9)	(6.0)	(7.8)
Curtailment and settlement gains recognized	—	—	4.9	0.5
Net periodic pension benefit (cost)	<u>\$ 12.1</u>	<u>\$ 16.0</u>	<u>\$ (14.3)</u>	<u>\$ (22.8)</u>

In the first quarter of 2018, the Company adopted ASU No. 2017-07, which requires the Company to disaggregate the service cost component from other components of net periodic benefit costs and report the service cost component in the same line



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item as other compensation costs and the other components of net periodic benefit costs (which include interest costs, expected return on plan assets, amortization of prior service cost or credits and actuarial gains and losses) separately and outside a subtotal of operating income. As this ASU requires application on a retrospective basis, the Company reclassified the prior period presentation of the noncontributory defined benefit pension plans for the adoption of this ASU, resulting in a decrease in operating profit and an increase in other income, net of \$33 million and \$19 million for the years ended December 31, 2017 and 2016, respectively. The net periodic benefit cost of the noncontributory defined benefit pension plans incurred during the years ended December 31, 2018 and 2017 are reflected in the following captions in the accompanying Consolidated Statements of Earnings (\$ in millions):

	Year Ended December 31		
	2018	2017	2016
<b>Service cost:</b>			
Cost of sales	\$ (11.4)	\$ (8.2)	\$ (9.8)
Selling, general and administrative expenses	(30.8)	(31.8)	(35.6)
Total service cost	(42.2)	(40.0)	(45.4)
<b>Other net periodic pension costs:</b>			
Nonoperating income (expense), net	40.0	33.2	19.2
<b>Total</b>	<b>\$ (2.2)</b>	<b>\$ (6.8)</b>	<b>\$ (26.2)</b>

**Weighted average assumptions used to determine net periodic pension (cost) benefit at date of measurement:**

	U.S. Plans		Non-U.S. Plans	
	2018	2017	2018	2017
Discount rate	3.6%	4.1%	1.8%	1.8%
Expected long-term return on plan assets	7.0%	7.0%	3.9%	3.9%
Rate of compensation increase	4.0%	4.0%	2.3%	2.9%

The discount rate reflects the market rate on December 31 of the prior year for high-quality fixed-income investments with maturities corresponding to the Company's benefit obligations and is subject to change each year. For non-U.S. plans, rates appropriate for each plan are determined based on investment-grade instruments with maturities approximately equal to the average expected benefit payout under the plan. During 2018, the Company updated the mortality assumptions used to estimate the projected benefit obligation to reflect updated mortality tables.

Included in accumulated other comprehensive income (loss) as of December 31, 2018 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service cost of \$7 million (\$5 million, net of tax) and unrecognized actuarial losses of approximately \$919 million (\$695 million, net of tax). The unrecognized losses and prior service cost, net, is calculated as the difference between the actuarially determined projected benefit obligation and the value of the plan assets less accrued pension costs as of December 31, 2018. The prior service cost and actuarial losses included in accumulated other comprehensive income (loss) and expected to be recognized in net periodic pension costs during the year ending December 31, 2019 is \$0.7 million (\$0.5 million, net of tax) and \$30 million (\$23 million, net of tax), respectively. No plan assets are expected to be returned to the Company during the year ending December 31, 2019.

**Selection of Expected Rate of Return on Assets**

For the years ended December 31, 2018, 2017 and 2016, the Company used an expected long-term rate of return assumption of 7.0% for its U.S. defined benefit pension plan. The Company intends to use an expected long-term rate of return assumption of 7.0% for 2019 for its U.S. plan. This expected rate of return reflects the asset allocation of the plan, and is based primarily on broad, publicly-traded equity and fixed-income indices and forward-looking estimates of active portfolio and investment management. Long-term rate of return on asset assumptions for the non-U.S. plans were determined on a plan-by-plan basis based on the composition of assets and ranged from 1.0% to 5.8% in both 2018 and 2017, with a weighted average rate of return assumption of 3.9% in both 2018 and 2017.

**Plan Assets**

The U.S. plan's goal is to maintain between 60% and 70% of its assets in equity portfolios, which are invested in individual equity securities or funds that are expected to mirror broad market returns for equity securities or in assets with characteristics



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similar to equity investments, such as venture capital funds and partnerships. Asset holdings are periodically rebalanced when equity holdings are outside this range. The balance of the U.S. plan asset portfolio is invested in bond funds, real estate funds, various absolute and real return funds and private equity funds. Non-U.S. plan assets are invested in various insurance contracts, equity and debt securities as determined by the administrator of each plan. The value of the plan assets directly affects the funded status of the Company's pension plans recorded in the Consolidated Financial Statements.

The Company has some investments that are valued using Net Asset Value ("NAV") as the practical expedient. In addition, some of the investments valued using NAV as the practical expedient have limits on their redemption to monthly, quarterly, semiannually or annually and require up to 90 days prior written notice. These investments valued using NAV consist of mutual funds, common collective trusts, venture capital funds, partnerships, and other private investments, which allow the Company to allocate investments across a broad array of types of funds and diversify the portfolio.

The fair values of the Company's pension plan assets for both the U.S. and non-U.S. plans as of December 31, 2018, by asset category were as follows (\$ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and equivalents	\$ 29.7	\$ —	\$ —	\$ 29.7
Equity securities:				
Common stock	355.7	—	—	355.7
Preferred stock	4.6	—	—	4.6
Fixed income securities:				
Corporate bonds	—	76.8	—	76.8
Government issued	—	32.8	—	32.8
Mutual funds	284.6	205.2	—	489.8
Insurance contracts	—	168.7	—	168.7
Total	\$ 674.6	\$ 483.5	\$ —	1,158.1
Investments measured at NAV <sup>(a)</sup> :				
Mutual funds				179.8
Insurance contracts				209.1
Common collective trusts				957.8
Venture capital, partnerships and other private investments				391.9
Total assets at fair value				\$ 2,896.7

<sup>(a)</sup> The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the total plan assets.

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The fair values of the Company's pension plan assets for both the U.S. and non-U.S. plans as of December 31, 2017, by asset category were as follows (\$ in millions):

	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and equivalents	\$ 36.0	\$ —	\$ —	\$ 36.0
Equity securities:				
Common stock	444.8	—	—	444.8
Preferred stock	6.7	—	—	6.7
Fixed income securities:				
Corporate bonds	—	113.3	—	113.3
Government issued	—	37.5	—	37.5
Mutual funds	341.5	147.0	—	488.5
Insurance contracts	—	299.4	—	299.4
Total	\$ 829.0	\$ 597.2	\$ —	1,426.2
Investments measured at NAV <sup>(a)</sup> :				
Mutual funds				232.4
Insurance contracts				72.1
Common collective trusts				1,089.8
Venture capital, partnerships and other private investments				383.7
Total assets at fair value				<u>\$ 3,204.2</u>

<sup>(a)</sup> The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the total plan assets.

Preferred stock and common stock traded on an active market, as well as mutual funds are valued at the quoted closing price reported on the active market on which the individual securities are traded. Preferred stock, common stock, corporate bonds, U.S. government securities and mutual funds that are not traded on an active market are valued at quoted prices reported by investment brokers and dealers based on the underlying terms of the security and comparison to similar securities traded on an active market. Insurance contracts are valued based upon the quoted prices of the underlying investments with the insurance company.

Common/collective trusts are valued based on the plan's interest, represented by investment units, in the underlying investments held within the trust that are traded in an active market by the trustee.

Venture capital, partnerships and other private investments are valued using the NAV based on the information provided by the asset fund managers, which reflects the plan's share of the fair value of the net assets of the investment. Depending on the nature of the assets, the underlying investments are valued using a combination of either discounted cash flows, earnings and market multiples, third-party appraisals or through reference to the quoted market prices of the underlying investments held by the venture, partnership or private entity where available. Valuation adjustments reflect changes in operating results, financial condition, or prospects of the applicable portfolio company.

The methods described above may produce a fair value estimate that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes the valuation methods are appropriate and consistent with the methods used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Expected Contributions**

During 2018, the Company contributed \$55 million to its U.S. defined benefit pension plan and \$52 million to its non-U.S. defined benefit pension plans. During 2019, the Company's cash contribution requirements for its U.S. and its non-U.S. defined benefit pension plans are expected to be approximately \$10 million and \$50 million, respectively.

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The following sets forth benefit payments, which reflect expected future service, as appropriate, expected to be paid by the plans in the periods indicated (\$ in millions):

	U.S. Pension Plans	Non-U.S. Pension Plans	All Pension Plans
2019	\$ 172.3	\$ 50.2	\$ 222.5
2020	174.1	52.4	226.5
2021	174.8	51.1	225.9
2022	174.3	54.1	228.4
2023	174.2	56.3	230.5
2024 - 2028	814.7	308.7	1,123.4

**Other Matters**

Substantially all employees not covered by defined benefit plans are covered by defined contribution plans, which generally provide for Company funding based on a percentage of compensation.

A limited number of the Company's subsidiaries participate in multiemployer defined benefit and contribution plans, primarily outside of the United States, that require the Company to periodically contribute funds to the plan. The risks of participating in a multiemployer plan differ from the risks of participating in a single-employer plan in the following respects: (1) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (2) if a participating employer ceases contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers and (3) if the Company elects to stop participating in the plan, the Company may be required to pay the plan an amount based on the unfunded status of the plan. None of the multiemployer plans in which the Company's subsidiaries participate are considered to be quantitatively or qualitatively significant, either individually or in the aggregate. In addition, contributions made to these plans during 2018, 2017 and 2016 were not considered significant, either individually or in the aggregate.

Expense for all defined benefit and defined contribution pension plans amounted to \$187 million, \$177 million and \$177 million for the years ended December 31, 2018, 2017 and 2016, respectively.

**NOTE 12. OTHER POSTRETIREMENT EMPLOYEE BENEFIT PLANS**

In addition to providing pension benefits, the Company provides certain health care and life insurance benefits for some of its retired employees in the United States. Certain employees may become eligible for these benefits as they reach normal retirement age while working for the Company.

The following sets forth the funded status of the domestic plans as of the most recent actuarial valuations using measurement dates of December 31 (\$ in millions):

	2018	2017
<b>Change in benefit obligation:</b>		
Benefit obligation at beginning of year	\$ (167.3)	\$ (174.6)
Service cost	(0.5)	(0.7)
Interest cost	(5.3)	(5.6)
Amendments, curtailments and other	1.1	(0.4)
Actuarial gain (loss)	9.5	(1.5)
Retiree contributions	(2.6)	(2.9)
Benefits paid	18.6	18.4
Benefit obligation at end of year	(146.5)	(167.3)
<b>Change in plan assets:</b>		
Fair value of plan assets	—	—
Funded status	\$ (146.5)	\$ (167.3)

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As of December 31, 2018 and 2017, \$131 million and \$152 million, respectively, of the total underfunded status of the plan was recognized as long-term accrued postretirement liability since it was not expected to be funded within one year.

**Weighted average assumptions used to determine benefit obligations at date of measurement:**

	2018	2017
Discount rate	4.2%	3.5%
Medical trend rate – initial	6.0%	6.3%
Medical trend rate – grading period	19 years	20 years
Medical trend rate – ultimate	4.5%	4.5%

**Effect of a one-percentage-point change in assumed health care cost trend rates:**

(\$ in millions)	1% Increase	1% Decrease
Effect on the total of service and interest cost components	\$ 0.3	\$ (0.2)
Effect on postretirement medical benefit obligation	4.4	(3.7)

The medical trend rate used to determine the postretirement benefit obligation was 6.0% for 2018. The rate decreases gradually to an ultimate rate of 4.5% in 2037 and remains at that level thereafter. The trend rate is a significant factor in determining the amounts reported.

**Components of net periodic benefit cost:**

(\$ in millions)	2018	2017
Service cost	\$ (0.5)	\$ (0.7)
Interest cost	(5.3)	(5.6)
Amortization of net gain	—	0.1
Amortization of prior service credit	2.5	3.1
Net periodic benefit cost	\$ (3.3)	\$ (3.1)

In the first quarter of 2018, the Company adopted ASU No. 2017-07, which requires the Company to disaggregate the service cost component from other components of net periodic benefit costs and report the service cost component in the same line item as other compensation costs and the other components of net periodic benefit costs (which include interest costs, expected return on plan assets, amortization of prior service cost or credits and actuarial gains and losses) separately and outside a subtotal of operating income. As this ASU requires application on a retrospective basis, the Company reclassified the prior period presentation of the other postretirement employee benefit plans for the adoption of this ASU, resulting in an increase in operating profit and a decrease in other income, net of \$2 million and \$3 million for the years ended December 31, 2017 and 2016, respectively. The net periodic benefit cost of the other postretirement employee benefit plans incurred during the years ended December 31, 2018 and 2017 are reflected in the following captions in the accompanying Consolidated Condensed Statements of Earnings (\$ in millions):

	Year Ended December 31		
	2018	2017	2016
Service cost:			
Cost of sales	\$ (0.1)	\$ (0.1)	\$ (0.2)
Selling, general and administrative expenses	(0.4)	(0.6)	(0.5)
Total service cost	(0.5)	(0.7)	(0.7)
Other net periodic pension costs:			
Nonoperating income (expense), net	(2.8)	(2.4)	(3.5)
Total	\$ (3.3)	\$ (3.1)	\$ (4.2)

Included in accumulated other comprehensive income (loss) as of December 31, 2018 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service credits of \$19 million (\$14 million, net of tax) and

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unrecognized actuarial losses of \$6 million (\$5 million, net of tax). The unrecognized losses and prior service credits, net, is calculated as the difference between the actuarially determined projected benefit obligation and the value of the plan assets less accrued benefit costs as of December 31, 2018. The prior service credits included in accumulated other comprehensive income (loss) and expected to be recognized in net periodic benefit costs during the year ending December 31, 2019 are \$2 million (\$2 million, net of tax). The actuarial losses included in accumulated other comprehensive income (loss) and expected to be recognized in net periodic benefit costs during the year ending December 31, 2019 are not material.

The following sets forth benefit payments, which reflect expected future service, as appropriate, expected to be paid in the periods indicated (\$ in millions):

2019	\$	15.2
2020		14.5
2021		13.8
2022		13.1
2023		12.3
2024 - 2028		54.1

**NOTE 13. INCOME TAXES**

Earnings from continuing operations before income taxes for the years ended December 31 were as follows (\$ in millions):

	2018	2017	2016
United States	\$ 914.2	\$ 927.2	\$ 647.7
International	2,378.6	2,011.6	1,963.6
Total	<u>\$ 3,292.8</u>	<u>\$ 2,938.8</u>	<u>\$ 2,611.3</u>

The provision for income taxes from continuing operations for the years ended December 31 were as follows (\$ in millions):

	2018	2017	2016
<b>Current:</b>			
Federal U.S.	\$ 278.8	\$ 448.3	\$ 237.2
Non-U.S.	494.3	457.2	542.9
State and local	63.9	(9.6)	61.7
<b>Deferred:</b>			
Federal U.S.	(157.2)	(424.7)	(237.5)
Non-U.S.	(6.8)	(61.5)	(104.2)
State and local	(31.1)	59.3	(42.2)
Income tax provision	<u>\$ 641.9</u>	<u>\$ 469.0</u>	<u>\$ 457.9</u>

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Noncurrent deferred tax assets and noncurrent deferred tax liabilities are included in other assets and other long-term liabilities, respectively, in the accompanying Consolidated Balance Sheets. Deferred income tax assets and liabilities as of December 31 were as follows (\$ in millions):

	2018	2017
Deferred tax assets:		
Allowance for doubtful accounts	\$ 19.7	\$ 18.6
Inventories	81.2	95.9
Pension and postretirement benefits	222.7	250.6
Environmental and regulatory compliance	22.4	26.8
Other accruals and prepayments	223.7	345.8
Stock-based compensation expense	64.7	63.9
Tax credit and loss carryforwards	894.5	673.4
Valuation allowances	(389.6)	(324.6)
Total deferred tax asset	1,139.3	1,150.4
Deferred tax liabilities:		
Property, plant and equipment	(90.0)	(63.4)
Insurance, including self-insurance	(564.0)	(696.2)
Basis difference in LYONs	(21.6)	(12.9)
Goodwill and other intangibles	(2,774.9)	(2,711.2)
Total deferred tax liability	(3,450.5)	(3,483.7)
Net deferred tax liability	\$ (2,311.2)	\$ (2,333.3)

The Company evaluates the future realizability of tax credits and loss carryforwards considering the anticipated future earnings of the Company's subsidiaries as well as tax planning strategies in the associated jurisdictions. Deferred taxes associated with U.S. entities consist of net deferred tax liabilities of approximately \$2.0 billion as of December 31, 2018 and 2017. Deferred taxes associated with non-U.S. entities consist of net deferred tax liabilities of \$277 million and \$301 million as of December 31, 2018 and 2017, respectively. During 2018, the Company's valuation allowance increased by \$65 million through the tax provision primarily due to changes resulting from additional TCJA guidance and certain tax benefits recognized in 2018 that are not expected to be realized, partially offset by release of valuation allowance in a certain foreign jurisdiction. As of December 31, 2018, the total amount of the basis difference in investments outside the United States for which deferred taxes have not been provided is approximately \$9.5 billion. As of December 31, 2018, the Company had no plans which would subject these basis differences to income taxes in the United States or elsewhere.

On December 22, 2017, the TCJA was enacted, substantially changing the U.S. tax system and affecting the Company in a number of ways. Notably, the TCJA:

- established a flat corporate income tax rate of 21.0% on U.S. earnings;
- imposed a one-time tax on unremitted cumulative non-U.S. earnings of foreign subsidiaries ("Transition Tax");
- imposes a new minimum tax on certain non-U.S. earnings, irrespective of the territorial system of taxation, and generally allows for the repatriation of future earnings of foreign subsidiaries without incurring additional U.S. taxes by transitioning to a territorial system of taxation;
- subjects certain payments made by a U.S. company to a related foreign company to certain minimum taxes (Base Erosion Anti-Abuse Tax);
- eliminated certain prior tax incentives for manufacturing in the United States and creates an incentive for U.S. companies to sell, lease or license goods and services abroad by allowing for a reduction in taxes owed on earnings related to such sales;
- allows the cost of investments in certain depreciable assets acquired and placed in service after September 27, 2017 to be immediately expensed; and
- reduces deductions with respect to certain compensation paid to specified executive officers.

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While the changes from the TCJA were generally effective beginning in 2018, GAAP accounting for income taxes requires the effect of a change in tax laws or rates to be recognized in income from continuing operations for the period that includes the enactment date. Due to the complexities involved in accounting for the enactment of the TCJA, SAB No. 118 allowed the Company to record provisional amounts in earnings for the year ended December 31, 2017. Where reasonable estimates could be made, the provisional accounting was based on such estimates. When no reasonable estimate could be made, SAB No. 118 required the accounting to be based on the tax law in effect before the TCJA. The Company was required to complete its tax accounting for the TCJA when it had obtained, prepared and analyzed the information to complete the income tax accounting but no later than December 22, 2018.

Accordingly, during 2018, the Company completed its accounting for the tax effects of the enactment of the TCJA based on the Company's interpretation of the new tax regulations and related guidance issued by the U.S. Department of the Treasury and the IRS.

- The Transition Tax is based on the Company's post-1986 earnings and profits that were previously deferred from U.S. income taxes. In the year ended December 31, 2017, the Company recorded a provision amount for the Transition Tax expense resulting in an increase in income tax expense of approximately \$1.2 billion. During 2018, the Company finalized the calculations of the Transition Tax liability and increased the provisional amount recorded in 2017 by \$40 million, with the increase included as a component of income tax expense from continuing operations in 2018. Regulations allow the Company to reduce the Transition Tax payable by applying available foreign tax credits and other tax attributes. The Company has elected to pay the net Transition Tax payable over an eight-year period as permitted by the TCJA. As of December 31, 2018, the remaining Transition Tax balance to be paid over the next seven years is approximately \$180 million.
- In connection with finalizing the calculation of tax credits available to reduce the Transition Tax and other U.S. taxable income, the Company recorded an additional provision of \$13 million related to net unrealizable credits which is included as a component of income tax expense from continuing operations in 2018.
- U.S. deferred tax assets and liabilities were remeasured as of December 31, 2017 based upon the tax rates at which the assets and liabilities are expected to reverse in the future, which is generally 21.0%, resulting in an income tax benefit of approximately \$1.2 billion in 2017. Upon finalizing the provisional accounting for the remeasurement of U.S. deferred tax assets and liabilities in 2018, the Company recorded an additional tax benefit of \$47 million, which is included as a component of income tax expense from continuing operations.
- The TCJA imposes tax on U.S. shareholders for global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. The Company is required to make an accounting policy election of either: (1) treating taxes due on future amounts included in U.S. taxable income related to GILTI as a current period tax expense when incurred (the "period cost method"); or (2) factoring such amounts into the Company's measurement of its deferred tax expense (the "deferred method"). As of December 31, 2017, the Company was still analyzing its global income and did not record a GILTI-related deferred tax amount. In 2018, the Company elected the period cost method for its accounting for GILTI.

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Due to the complexity and recent issuance of these tax regulations, management's interpretations of the impact of these rules could be subject to challenge by the taxing authorities.

The effective income tax rate from continuing operations for the years ended December 31 varies from the U.S. statutory federal income tax rate as follows:

	Percentage of Pretax Earnings		
	2018	2017	2016
Statutory federal income tax rate	21.0 %	35.0 %	35.0 %
Increase (decrease) in tax rate resulting from:			
State income taxes (net of federal income tax benefit)	0.9 %	0.8 %	0.6 %
Foreign rate differential	(0.3)%	(11.6)%	(10.2)%
Resolution and expiration of statutes of limitation of uncertain tax positions	(1.7)%	(6.5)%	(3.1)%
Permanent foreign exchange losses	— %	(0.6)%	(8.2)%
Research credits, uncertain tax positions and other	(0.6)%	(1.0)%	3.4 %
TCJA - revaluation of U.S. deferred income taxes	(1.4)%	(41.5)%	— %
TCJA - Transition Tax	1.6 %	41.4 %	— %
Effective income tax rate	19.5 %	16.0 %	17.5 %

The Company's effective tax rate for 2018, 2017 and 2016 differs from the U.S. federal statutory rates of 21.0% in 2018 and 35.0% in 2017 and 2016, due principally to the Company's earnings outside the United States that are indefinitely reinvested and taxed at rates different than the U.S. federal statutory rate. In addition:

- The effective tax rate of 19.5% in 2018 includes 70 basis points of tax benefits primarily related to the release of reserves upon the expiration of statutes of limitation, audit settlements and release of valuation allowance in a certain foreign tax jurisdiction. These tax benefits were partially offset by additional provisions related to completing the accounting for the enactment of the TCJA as summarized above and tax costs directly related to reorganization activities associated with preparing for the Dental Separation.
- The effective tax rate of 16.0% in 2017 includes 500 basis points of net tax benefits due to the revaluation of deferred tax liabilities from 35.0% to 21.0% due to the TCJA and the release of reserves upon statute of limitation expiration, partially offset by income tax expense related to the Transition Tax on foreign earnings due to the TCJA and changes in estimates associated with prior period uncertain tax positions.
- The effective tax rate of 17.5% in 2016 includes 350 basis points of net tax benefits from permanent foreign exchange losses and the release of reserves upon the expiration of statutes of limitation and audit settlements, partially offset by income tax expense related to repatriation of earnings and legal entity realignments associated with the Fortive Separation and changes in estimates associated with prior period uncertain tax positions.

The Company made income tax payments related to both continuing and discontinued operations of \$673 million, \$689 million and \$767 million in 2018, 2017 and 2016, respectively. Current income taxes payable related to both continuing and discontinued operations has been reduced by \$57 million, \$85 million, and \$99 million in 2018, 2017 and 2016, respectively, for tax deductions attributable to stock-based compensation, of which, the excess tax benefit over the amount recorded for financial reporting purposes for both continuing and discontinued operations was \$38 million, \$55 million and \$50 million, respectively. The excess tax benefit realized has been recorded as an increase to additional paid-in capital for the year ended December 31, 2016 and is reflected as a financing cash inflow in the accompanying Consolidated Statement of Cash Flows. As a result of the adoption of ASU 2016-09, *Compensation—Stock Compensation*, the excess tax benefits for the years ended December 31, 2018 and 2017 have been recorded as reductions to the current income tax provision and are reflected as operating cash inflows in the accompanying Consolidated Statements of Cash Flows.

Included in deferred income taxes related to continuing operations as of December 31, 2018 are tax benefits for U.S. and non-U.S. net operating loss carryforwards totaling \$653 million (\$252 million of which the Company does not expect to realize and have corresponding valuation allowances). Certain of the losses can be carried forward indefinitely and others can be carried forward to various dates from 2019 through 2038. In addition, the Company had general business and foreign tax credit carryforwards related to continuing operations of \$241 million (\$89 million of which the Company does not expect to realize and have corresponding valuation allowances) as of December 31, 2018, which can be carried forward to various dates from



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2019 to 2028. In addition, as of December 31, 2018, the Company had \$49 million of valuation allowances related to other deferred tax asset balances that are not more likely than not of being realized.

As of December 31, 2018, gross unrecognized tax benefits related to continuing operations totaled \$986 million (\$988 million, net of the impact of \$117 million of indirect tax benefits offset by \$119 million associated with potential interest and penalties). As of December 31, 2017, gross unrecognized tax benefits related to continuing operations totaled \$737 million (\$736 million, net of the impact of \$104 million of indirect tax benefits offset by \$103 million associated with potential interest and penalties). The Company recognized approximately \$41 million, \$41 million and \$47 million in potential interest and penalties related to both continuing and discontinued operations associated with uncertain tax positions during 2018, 2017 and 2016, respectively. To the extent unrecognized tax benefits (including interest and penalties) are recognized with respect to uncertain tax positions, \$936 million would reduce the tax expense and effective tax rate in future periods. The Company recognized interest and penalties related to unrecognized tax benefits within income taxes in the accompanying Consolidated Statements of Earnings. Unrecognized tax benefits and associated accrued interest and penalties are included in taxes, income and other accrued expenses as detailed in Note 9.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding amounts accrued for potential interest and penalties related to both continuing and discontinued operations, is as follows (\$ in millions):

	2018	2017	2016
Unrecognized tax benefits, beginning of year	\$ 736.8	\$ 992.2	\$ 990.2
Additions based on tax positions related to the current year	43.1	53.0	80.0
Additions for tax positions of prior years	324.3	39.8	154.3
Reductions for tax positions of prior years	(21.9)	(14.5)	(7.0)
Acquisitions, divestitures and other	9.4	13.4	(41.5)
Lapse of statute of limitations	(52.9)	(246.7)	(124.0)
Settlements	(41.8)	(124.8)	(45.3)
Effect of foreign currency translation	(11.0)	24.4	(14.5)
Unrecognized tax benefits, end of year	\$ 986.0	\$ 736.8	\$ 992.2

The Company conducts business globally, and files numerous consolidated and separate income tax returns in the U.S. federal, state and foreign jurisdictions. The non-U.S. countries in which the Company has a significant presence include China, Denmark, Germany, Singapore, Switzerland and the United Kingdom. The Company believes that a change in the statutory tax rate of any individual foreign country would not have a material effect on the Company's Consolidated Financial Statements given the geographic dispersion of the Company's taxable income.

The Company and its subsidiaries are routinely examined by various domestic and international taxing authorities. The IRS has completed substantially all of the examinations of the Company's federal income tax returns through 2011 and is currently examining certain of the Company's federal income tax returns for 2012 through 2015. In addition, the Company has subsidiaries in Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Hong Kong, India, Italy, Japan, New Zealand, Sweden, Switzerland, the United Kingdom and various other countries, states and provinces that are currently under audit for years ranging from 2004 through 2017.

In the fourth quarter of 2018, the IRS proposed significant adjustments to the Company's taxable income for the years 2012 through 2015 with respect to the deferral of tax on certain premium income related to the Company's self-insurance programs. The proposed adjustments would increase the Company's taxable income over the 2012 through 2015 period by approximately \$960 million. In addition, as of December 31, 2018, the IRS has notified the Company that it is considering additional taxable income adjustments related to other aspects of the Company's self-insurance programs for the years 2012 through 2015. These additional proposed adjustments would increase the Company's taxable income by approximately \$1.7 billion. Management believes the positions the Company has taken in its U.S. tax returns are in accordance with the relevant tax laws, intends to vigorously defend these positions and is currently considering all of its alternatives. Due to the enactment of the TCJA in 2017 and the resulting reduction in the U.S. corporate tax rate for years after 2017, the Company revalued its deferred tax liabilities related to the temporary differences associated with this deferred premium income from 35.0% to 21.0%. If the Company is not successful in defending these assessments, the taxes owed to the IRS may be computed under the previous 35.0% statutory tax rate and the Company may be required to revalue the related deferred tax liabilities from 21.0% to 35.0%, which in addition to any interest due on the amounts assessed, would require a charge to future earnings. The ultimate resolution of this matter is uncertain, could take many years and could result in a material adverse impact to the Company's Consolidated Financial Statements, including its cash flows and effective tax rate.

Tax authorities in Denmark have raised significant issues related to interest accrued by certain of the Company's subsidiaries. On December 10, 2013, the Company received assessments from the Danish tax authority ("SKAT") totaling approximately DKK 1.6 billion (approximately \$247 million based on exchange rates as of December 31, 2018) including interest through December 31, 2018, imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company's subsidiaries for the years 2004 through 2009. The Company is currently in discussions with SKAT and anticipates receiving an assessment for years 2010 through 2012 totaling approximately DKK 954 million (approximately \$146 million based on exchange rates as of December 31, 2018) including interest through December 31, 2018. Management believes the positions the Company has taken in Denmark are in accordance with the relevant tax laws and is vigorously defending its positions. The Company appealed these assessments with the National Tax Tribunal in 2014 and intends on pursuing this matter through the European Court of Justice should this appeal be unsuccessful. The ultimate resolution of this matter is uncertain, could take many years, and could result in a material adverse impact to the Company's Consolidated Financial Statements, including its cash flows and effective tax rate.

Management estimates that it is reasonably possible that the amount of unrecognized tax benefits related to continuing operations may be reduced by approximately \$134 million within 12 months as a result of resolution of worldwide tax matters, payments of tax audit settlements and/or statute of limitations expirations. Future resolution of uncertain tax positions related to discontinued operations may result in additional charges or credits to earnings from discontinued operations in the Consolidated Statements of Earnings (refer to Note 4).

The Company operates in various non-U.S. jurisdictions where income tax incentives and rulings have been granted for specific periods of time. In Switzerland, the Company has various tax rulings and tax holiday arrangements which reduce the overall effective tax rate of the Company. The tax holidays expire between 2019 and 2022. In Singapore, the Company operates under various tax incentive agreements that provide for reduced tax rates. Subject to the Company satisfying certain requirements, the agreements expire in 2022. The Company has satisfied the conditions enumerated in these agreements to date. Included in the accompanying Consolidated Financial Statements are tax benefits of \$70 million, \$62 million, and \$61 million for 2018, 2017, and 2016, respectively, from these rulings and tax holidays.

#### **NOTE 14. NONOPERATING INCOME (EXPENSE)**

As described in Notes 1, 11 and 12, in the first quarter of 2018, the Company adopted ASU No. 2017-07. The ASU requires the Company to disaggregate the service cost component from the other components of net periodic benefit costs and requires the Company to present the other components of net periodic benefit cost in other income, net. The ASU also requires application on a retrospective basis. As a result of adopting this ASU, the Company classified \$37 million, \$31 million and \$16 million of net pension and postretirement benefits as other income as of December 31, 2018, 2017 and 2016, respectively.

The Company received \$138 million of cash proceeds and recorded \$22 million in short-term other receivables from the sale of certain marketable equity securities during 2017. The Company recorded a pretax gain related to this sale of \$73 million (\$46 million after-tax or \$0.06 per diluted share).

During 2016, the Company received cash proceeds of \$265 million from the sale of certain marketable equity securities and recorded a pretax gain related to this sale of \$223 million (\$140 million after-tax or \$0.20 per diluted share).

During 2016, the Company also paid \$188 million of make-whole premiums associated with the early extinguishment of the Redeemed Notes. The Company recorded a loss on extinguishment of these borrowings, net of certain deferred gains, of \$179 million (\$112 million after-tax or \$0.16 per diluted share).

#### **NOTE 15. PRODUCTIVITY IMPROVEMENT AND RESTRUCTURING INITIATIVES**

During 2018, the Company recorded pretax productivity improvement and restructuring related charges of \$70 million. Substantially all the activities initiated in 2018 were completed by December 31, 2018, resulting in \$59 million of employee severance and related charges and \$11 million of facility exit and other related charges. The Company expects substantially all cash payments associated with remaining termination benefits will be paid during 2019.

During 2017, the Company made the strategic decision to discontinue a molecular diagnostic product line in its Diagnostics segment. As a result, the Company recorded \$76 million of pretax restructuring, impairment and other related charges (\$51 million after-tax or \$0.07 per diluted share). These charges included \$49 million of noncash charges for the impairment of certain technology-related intangible assets as well as related inventory and property, plant and equipment with no further use. In addition, the Company incurred \$27 million of cash restructuring costs primarily related to employee severance and related charges. Substantially all restructuring activities related to this discontinued product line were completed in 2017.

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In addition to the molecular diagnostic product line discontinuation noted above, during 2017 the Company recorded pretax productivity improvement and restructuring related charges of \$83 million, for a total of \$159 million of pretax productivity improvement and restructuring related charges in 2017. Substantially all of the planned activities related to the 2017 plans were completed by December 31, 2017 resulting in approximately \$78 million of employee severance and related charges and \$81 million of facility exit and other related charges (including noncash charges for the impairment of certain technology-related intangibles as well as related inventory and property, plant and equipment with no further use).

During 2016, the Company recorded pretax productivity improvement and restructuring related charges totaling \$152 million. Substantially all of the planned activities related to the 2016 plans were completed by December 31, 2016 resulting in approximately \$111 million of employee severance and related charges, \$30 million of facility exit and other related charges and \$11 million of charges related to an impairment of a trade name within the Dental segment.

Excluding the discontinuation of the molecular diagnostic product line, the nature of the Company's productivity improvement and restructuring related activities initiated in 2018, 2017 and 2016 were broadly consistent throughout the Company's reportable segments and focused on improvements in operational efficiency through targeted workforce reductions and facility consolidations and closures. These costs were incurred to position the Company to provide superior products and services to its customers in a cost efficient manner, and taking into consideration broad economic considerations.

In conjunction with the closing of facilities, certain inventory was written off as unusable in future operating locations. This inventory consisted primarily of component parts and raw materials, which were either redundant to inventory at the facilities being merged or were not economically feasible to relocate since the inventory was purchased to operate on equipment and tooling which was not being relocated. In addition, asset impairment charges have been recorded to reduce the carrying amounts of the long-lived assets that will be sold or disposed of to their estimated fair values. Charges for the asset impairment reduce the carrying amount of the long-lived assets to their estimated salvage value in connection with the decision to dispose of such assets.

Productivity improvement and restructuring related charges, including those related to the discontinuation of the molecular diagnostics product line, recorded for the years ended December 31 by segment were as follows (\$ in millions):

	2018	2017	2016
Life Sciences	\$ 11.4	\$ 25.4	\$ 40.5
Diagnostics	14.9	85.4	62.2
Dental	23.7	35.8	34.3
Environmental & Applied Solutions	20.0	12.5	15.4
<b>Total</b>	<b>\$ 70.0</b>	<b>\$ 159.1</b>	<b>\$ 152.4</b>

The table below summarizes the Company's accrual balance and utilization by type of productivity improvement and restructuring costs associated with the 2018 and 2017 actions (\$ in millions):

	Employee Severance & Related	Facility Exit & Related	Total
<b>Balance, January 1, 2017</b>	\$ 45.3	\$ 11.8	\$ 57.1
Costs incurred	77.7	81.4	159.1
Paid/settled	(74.0)	(75.9)	(149.9)
<b>Balance, December 31, 2017</b>	49.0	17.3	66.3
Costs incurred	59.4	10.6	70.0
Paid/settled	(68.8)	(20.3)	(89.1)
<b>Balance, December 31, 2018</b>	<b>\$ 39.6</b>	<b>\$ 7.6</b>	<b>\$ 47.2</b>

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The productivity improvement and restructuring related charges incurred during 2018 include cash charges of \$68 million and \$2 million of noncash charges. The productivity improvement and restructuring related charges incurred during 2017 and 2016 include cash charges of \$103 million and \$140 million and \$56 million and \$12 million of noncash charges, respectively. These charges are reflected in the following captions in the accompanying Consolidated Statements of Earnings (\$ in millions):

	2018	2017	2016
Cost of sales	\$ 16.8	\$ 38.0	\$ 25.4
Selling, general and administrative expenses	53.2	121.1	127.0
Total	\$ 70.0	\$ 159.1	\$ 152.4

**NOTE 16. LEASES AND COMMITMENTS**

The Company's operating leases extend for varying periods of time up to 20 years and, in some cases, contain renewal options that would extend existing terms beyond 20 years. Total rent expense for all operating leases was \$282 million, \$249 million and \$220 million for the years ended December 31, 2018, 2017 and 2016, respectively.

As discussed in Note 1, the Company adopted ASC 842 related to lease accounting on January 1, 2019. Future minimum lease payments differ from the future lease liability recognized under ASC 842, as the lease liability recognized under ASC 842 discounts the lease payments while the minimum lease payments presented below are not discounted. Additionally, ASC 842 allows a lessee to elect to combine or separate any non-lease components in an arrangement with the lease components for the calculation of the lease liability while the minimum lease payments exclude any non-lease components. The Company's future minimum rental payments for all operating leases having initial or remaining noncancelable lease terms in excess of one year are as follows (\$ in millions):

2019	\$ 203.0
2020	167.7
2021	133.3
2022	116.8
2023	101.9
Thereafter	287.2

The Company generally accrues estimated warranty costs at the time of sale. In general, manufactured products are warranted against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty periods depend on the nature of the product and range from the date of such sale up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor and in certain instances estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the Company's accrued warranty liability (\$ in millions):

	2018	2017
<b>Balance, January 1</b>	\$ 79.0	\$ 75.8
Accruals for warranties issued during the year	60.6	54.5
Settlements made	(60.0)	(56.6)
Additions due to acquisitions	—	1.7
Effect of foreign currency translation	(2.2)	3.6
<b>Balance, December 31</b>	\$ 77.4	\$ 79.0

**NOTE 17. LITIGATION AND CONTINGENCIES**

The Company is subject to a variety of litigation and other legal and regulatory proceedings incidental to its business (or the business operations of previously owned entities), including claims or counterclaims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, tax matters, commercial disputes,

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breach of contract claims, competition and sales and trading practices, environmental matters, personal injury, insurance coverage and acquisition or divestiture-related matters, as well as regulatory subpoenas, requests for information, investigations and enforcement. The Company may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, divested businesses. The types of claims made in lawsuits include claims for compensatory damages, punitive and consequential damages (and in some cases, treble damages) and/or injunctive relief. Based upon the Company's experience, current information and applicable law, it does not believe it is reasonably possible that any amounts it may be required to pay in connection with litigation and other legal and regulatory proceedings in excess of its reserves as of December 31, 2018 will have a material effect on its Consolidated Financial Statements.

While the Company maintains general, products, property, workers' compensation, automobile, cargo, aviation, crime, fiduciary and directors' and officers' liability insurance (and has acquired rights under similar policies in connection with certain acquisitions) up to certain limits that cover certain of these claims, this insurance may be insufficient or unavailable to cover such losses. For general, products and property liability and most other insured risks, the Company purchases outside insurance coverage only for severe losses and must establish and maintain reserves with respect to amounts within the self-insured retention. In addition, while the Company believes it is entitled to indemnification from third-parties for some of these claims, these rights may also be insufficient or unavailable to cover such losses.

The Company records a liability in the Consolidated Financial Statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible it is disclosed and if the loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed. The Company's reserves consist of specific reserves for individual claims and additional amounts for anticipated developments of these claims as well as for incurred but not yet reported claims. The specific reserves for individual known claims are quantified with the assistance of legal counsel and outside risk professionals where appropriate. In addition, outside risk professionals assist in the determination of reserves for incurred but not yet reported claims through evaluation of the Company's specific loss history, actual claims reported and industry trends among statistical and other factors. Reserve estimates may be adjusted as additional information regarding a claim becomes known. Because most contingencies are resolved over long periods of time, liabilities may change in the future due to new developments (including litigation developments, the discovery of new facts, changes in legislation and outcomes of similar cases), changes in assumptions or changes in the Company's strategy. While the Company actively pursues financial recoveries from insurance providers and indemnifying parties, it does not recognize any recoveries until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude. If the Company's self-insurance and litigation reserves prove inadequate, it would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect the Company's Consolidated Financial Statements.

In addition, the Company's operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment, establish standards for the use, generation, treatment, storage and disposal of hazardous and nonhazardous wastes and impose end-of-life disposal and take-back programs. A number of the Company's operations involve the handling, manufacturing, use or sale of substances that are or could be classified as hazardous materials within the meaning of applicable laws. The Company must also comply with various health and safety regulations in both the United States and abroad in connection with the Company's operations. Compliance with these laws and regulations has not had and, based on current information and the applicable laws and regulations currently in effect, is not expected to have a material effect on the Company's capital expenditures, earnings or competitive position, and the Company does not anticipate material capital expenditures for environmental control facilities.

In addition to environmental compliance costs, the Company from time to time incurs costs related to alleged damages associated with past or current waste disposal practices or other hazardous materials handling practices. For example, generators of hazardous substances found in disposal sites at which environmental problems are alleged to exist, as well as the current and former owners of those sites and certain other classes of persons, are subject to claims brought by state and federal regulatory agencies pursuant to statutory authority. The Company has received notification from the U.S. Environmental Protection Agency, and from state and non-U.S. environmental agencies, that conditions at certain sites where the Company and others previously disposed of hazardous wastes and/or are or were property owners require clean-up and other possible remedial action, including sites where the Company has been identified as a potentially responsible party under U.S. federal and state environmental laws. The Company has projects underway at a number of current and former facilities, in both the United States and abroad, to investigate and remediate environmental contamination resulting from past operations. Remediation activities generally relate to soil and/or groundwater contamination and may include pre-remedial activities such as fact-finding and investigation, risk assessment, feasibility study and/or design, as well as remediation actions such as contaminant removal, monitoring and/or installation, operation and maintenance of longer-term remediation systems. The

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Company is also from time to time party to personal injury or other claims brought by private parties alleging injury due to the presence of, or exposure to, hazardous substances.

The Company has recorded a provision for environmental investigation and remediation and environmental-related claims with respect to sites owned or formerly owned by the Company and its subsidiaries and third-party sites where the Company has been determined to be a potentially responsible party. The Company generally makes an assessment of the costs involved for its remediation efforts based on environmental studies, as well as its prior experience with similar sites. The ultimate cost of site cleanup is difficult to predict given the uncertainties of the Company's involvement in certain sites, uncertainties regarding the extent of the required cleanup, the availability of alternative cleanup methods, variations in the interpretation of applicable laws and regulations, the possibility of insurance recoveries with respect to certain sites and the fact that imposition of joint and several liability with right of contribution is possible under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and other environmental laws and regulations. If the Company determines that potential liability for a particular site or with respect to a personal injury claim is known or considered probable and reasonably estimable, the Company accrues the total estimated loss, including investigation and remediation costs, associated with the site or claim. As of December 31, 2018, the Company had a reserve of \$147 million for environmental matters which are known or considered probable and reasonably estimable (of which \$110 million are noncurrent), which reflects the Company's best estimate of the costs to be incurred with respect to such matters.

All reserves have been recorded without giving effect to any possible future third-party recoveries. While the Company actively pursues insurance recoveries, as well as recoveries from other potentially responsible parties, it does not recognize any insurance recoveries for environmental liability claims until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude.

The Company's Restated Certificate of Incorporation requires it to indemnify to the full extent authorized or permitted by law any person made, or threatened to be made a party to any action or proceeding by reason of his or her service as a director or officer of the Company, or by reason of serving at the request of the Company as a director or officer of any other entity, subject to limited exceptions. Danaher's Amended and Restated By-laws provide for similar indemnification rights. In addition, Danaher has executed with each director and executive officer of Danaher Corporation an indemnification agreement which provides for substantially similar indemnification rights and under which Danaher has agreed to pay expenses in advance of the final disposition of any such indemnifiable proceeding. While the Company maintains insurance for this type of liability, a significant deductible applies to this coverage and any such liability could exceed the amount of the insurance coverage.

As of December 31, 2018, the Company had approximately \$668 million of guarantees consisting primarily of outstanding standby letters of credit, bank guarantees and performance and bid bonds. These guarantees have been provided in connection with certain arrangements with vendors, customers, insurance providers, financing counterparties and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions. The Company believes that if the obligations under these instruments were triggered, it would not have a material effect on its Consolidated Financial Statements.

### **NOTE 18. STOCK TRANSACTIONS AND STOCK-BASED COMPENSATION**

On July 16, 2013, the Company's Board of Directors approved a repurchase program (the "Repurchase Program") authorizing the repurchase of up to 20 million shares of the Company's common stock from time to time on the open market or in privately negotiated transactions. There is no expiration date for the Repurchase Program, and the timing and amount of any shares repurchased under the program will be determined by the Company's management based on its evaluation of market conditions and other factors. The Repurchase Program may be suspended or discontinued at any time. Any repurchased shares will be available for use in connection with the Company's equity compensation plans (or any successor plan) and for other corporate purposes. As of December 31, 2018, 20 million shares remained available for repurchase pursuant to the Repurchase Program. The Company expects to fund any future stock repurchases using the Company's available cash balances or proceeds from the issuance of debt.

Neither the Company nor any "affiliated purchaser" repurchased any shares of Company common stock during 2018, 2017 or 2016.

Stock options, RSUs and PSUs have been issued to directors, officers and other employees under the Company's 2007 Omnibus Incentive Plan. In addition, in connection with the 2016 Cepheid Acquisition, the Company assumed certain outstanding stock options and RSUs, as applicable, that had been awarded under the stock compensation plan of the acquired business. This plan (the "Assumed Plan") operates in a similar manner to the Company's 2007 Omnibus Incentive Plan, and no further equity awards will be issued under the Assumed Plan. The 2007 Omnibus Incentive Plan provides for the grant of stock options, stock appreciation rights, RSUs, restricted stock, PSUs or any other stock-based award and cash based awards. A total



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of approximately 127 million shares of Danaher common stock have been authorized for issuance under the 2007 Omnibus Incentive Plan. As of December 31, 2018, approximately 58 million shares of the Company's common stock remain available for issuance under the 2007 Omnibus Incentive Plan.

Stock options granted under the 2007 Omnibus Incentive Plan generally vest pro rata over a five-year period and terminate ten years from the grant date, though the specific terms of each grant are determined by the Compensation Committee of the Company's Board (the "Compensation Committee"). The Company's executive officers and certain other employees have been awarded options with different vesting criteria, and options granted to outside directors are fully vested as of the grant date. Option exercise prices for options granted by the Company equal the closing price of the Company's common stock on the NYSE on the date of grant. In connection with the Company's assumption of options issued pursuant to the Assumed Plan, the number of shares underlying each option and exercise price of each option were adjusted to reflect the substitution of the Company's stock for the stock of the applicable acquired company.

RSUs issued under the 2007 Omnibus Incentive Plan provide for the issuance of a share of the Company's common stock at no cost to the holder. The RSUs that have been granted to employees under the 2007 Omnibus Incentive Plan generally provide for time-based vesting over a five-year period, although executive officers and certain other employees have been awarded RSUs with different time-based vesting criteria, and RSUs granted to members of the Company's senior management have also been subject to performance-based vesting criteria. The RSUs that have been granted to directors under the 2007 Omnibus Incentive Plan vest on the earlier of the first anniversary of the grant date or the date of, and immediately prior to, the next annual meeting of the Company's shareholders following the grant date, but the underlying shares are not issued until the earlier of the director's death or the first day of the seventh month following the director's retirement from the Board. Prior to vesting, RSUs granted under the 2007 Omnibus Incentive Plan do not have dividend equivalent rights, do not have voting rights and the shares underlying the RSUs are not considered issued and outstanding. With respect to RSUs granted under the Assumed Plan, in connection with the Company's assumption of these RSUs the number of shares underlying each RSU were adjusted to reflect the substitution of the Company's stock for the stock of the applicable acquired company, and certain of these RSUs have dividend equivalent rights.

In 2015, the Company introduced into its executive officer equity compensation program PSUs that vest based on the Company's total shareholder return ranking relative to the S&P 500 Index over a three-year performance period and are subject to an additional two-year holding period, and are entitled to dividend equivalent rights. The PSUs were issued under the Company's 2007 Omnibus Incentive Plan. PSU's granted under the 2007 Omnibus Incentive Plan have dividend equivalent rights (which are subject to the same vesting and payment restrictions as the related shares), but do not have voting rights and the shares underlying the PSU's are not considered issued and outstanding.

In connection with the Fortive Separation and pursuant to the anti-dilution provisions of the 2007 Omnibus Incentive Plan, the Company made certain adjustments to the exercise price and the number of shares underlying stock-based compensation awards with the intention of preserving the intrinsic value of the awards prior to the Fortive Separation. Accordingly, the number of shares underlying each stock-based award outstanding as of the date of the Fortive Separation was multiplied by a factor of 1.32 and the related exercise price for stock options was divided by a factor of 1.32 which resulted in no increase in the intrinsic value of awards outstanding. The stock-based compensation awards continue to vest over their original vesting period. These adjustments to the Company's stock-based compensation awards did not result in additional compensation expense. Stock-based compensation awards that were held by employees who transferred to Fortive in connection with the Separation were canceled and replaced by awards issued by Fortive.

The equity compensation awards granted by the Company generally vest only if the employee is employed by the Company (or in the case of directors, the director continues to serve on the Company Board) on the vesting date or in other limited circumstances. To cover the exercise of options and vesting of RSUs and PSUs, the Company generally issues new shares from its authorized but unissued share pool, although it may instead issue treasury shares in certain circumstances.

The Company accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted based on the fair value of the award as of the grant date. The Company recognizes the compensation expense over the requisite service period (which is generally the vesting period but may be shorter than the vesting period if the employee becomes retirement eligible before the end of the vesting period). The fair value for RSU awards was calculated using the closing price of the Company's common stock on the date of grant, adjusted for the fact that RSUs (other than certain RSUs granted under the Assumed Plans) do not accrue dividends. The fair value of the PSU awards was calculated using a Monte Carlo pricing model. The fair value of the options granted was calculated using a Black-Scholes Merton option pricing model ("Black-Scholes").

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The following summarizes the assumptions used in the Black-Scholes model to value options granted during the years ended December 31:

	2018	2017	2016
Risk-free interest rate	2.6 – 3.1%	1.8 – 2.2%	1.2 – 1.8%
Weighted average volatility	21.4%	17.9%	24.3%
Dividend yield	0.6%	0.7%	0.6%
Expected years until exercise	5.0 – 8.0	5.0 – 8.0	5.5 – 8.0

The Black-Scholes model incorporates assumptions to value stock-based awards. The risk-free rate of interest for periods within the contractual life of the option is based on a zero-coupon U.S. government instrument whose maturity period equals or approximates the option's expected term. Expected volatility is based on implied volatility from traded options on the Company's stock and historical volatility of the Company's stock. The dividend yield is calculated by dividing the Company's annual dividend, based on the most recent quarterly dividend rate, by the closing stock price on the grant date. To estimate the option exercise timing used in the valuation model (which impacts the risk-free interest rate and the expected years until exercise), in addition to considering the vesting period and contractual term of the option, the Company analyzes and considers actual historical exercise experience for previously granted options. The Company stratifies its employee population into multiple groups for option valuation and attribution purposes based upon distinctive patterns of forfeiture rates and option holding periods, as indicated by the ranges set forth in the table above for the risk-free interest rate and the expected years until exercise.

The amount of stock-based compensation expense recognized during a period is also based on the portion of the awards that are ultimately expected to vest. The Company estimates pre-vesting forfeitures at the time of grant by analyzing historical data and revises those estimates in subsequent periods if actual forfeitures differ from those estimates. Ultimately, the total expense recognized over the vesting period will equal the fair value of awards that actually vest.

The following summarizes the components of the Company's continuing operations stock-based compensation expense for the years ended December 31 (\$ in millions):

	2018	2017	2016
<b>RSUs/PSUs:</b>			
Pretax compensation expense	\$ 94.7	\$ 90.2	\$ 85.9
Income tax benefit	(19.8)	(27.7)	(25.3)
RSU/PSU expense, net of income taxes	74.9	62.5	60.6
<b>Stock options:</b>			
Pretax compensation expense	56.7	49.2	43.9
Income tax benefit	(12.0)	(15.6)	(13.6)
Stock option expense, net of income taxes	44.7	33.6	30.3
<b>Total stock-based compensation:</b>			
Pretax compensation expense	151.4	139.4	129.8
Income tax benefit	(31.8)	(43.3)	(38.9)
Total stock-based compensation expense, net of income taxes	\$ 119.6	\$ 96.1	\$ 90.9

Stock-based compensation has been recognized as a component of selling, general and administrative expenses in the accompanying Consolidated Statements of Earnings. As of December 31, 2018, \$149 million of total unrecognized compensation cost related to RSUs/PSUs is expected to be recognized over a weighted average period of approximately two years. As of December 31, 2018, \$139 million of total unrecognized compensation cost related to stock options is expected to be recognized over a weighted average period of approximately three years. Future compensation amounts will be adjusted for any changes in estimated forfeitures.



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The following summarizes option activity under the Company's stock plans (in millions, except weighted exercise price and number of years):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
<b>Outstanding as of January 1, 2016</b>	24.9	\$ 43.75		
Granted	5.7	67.52		
Exercised	(5.3)	33.45		
Cancelled/forfeited	(1.2)	73.21		
Adjustment due to Fortive Separation <sup>(a)</sup>	(5.2)	50.44		
<b>Outstanding as of December 31, 2016</b>	18.9	50.07		
Granted	4.4	86.14		
Exercised	(3.3)	35.26		
Cancelled/forfeited	(1.2)	70.40		
<b>Outstanding as of December 31, 2017</b>	18.8	59.84		
Granted	4.1	99.51		
Exercised	(3.4)	41.88		
Cancelled/forfeited	(0.9)	80.14		
<b>Outstanding as of December 31, 2018</b>	18.6	70.86	7	\$ 600.8
<b>Vested and expected to vest as of December 31, 2018 <sup>(b)</sup></b>	18.0	\$ 70.24	7	\$ 592.8
<b>Vested as of December 31, 2018</b>	7.7	\$ 53.19	5	\$ 383.3

<sup>(a)</sup> The "Adjustment due to Fortive Separation" reflects the cancellation of options which were outstanding as of July 2, 2016 and held by Fortive employees, which have been converted to Fortive equity awards as part of the Fortive Separation.

<sup>(b)</sup> The "expected to vest" options are the net unvested options that remain after applying the forfeiture rate assumption to total unvested options.

The aggregate intrinsic value in the table above represents the total pretax intrinsic value (the difference between the Company's closing stock price on the last trading day of 2018 and the exercise price, multiplied by the number of in-the-money options) that would have been received by the option holders had all option holders exercised their options on December 31, 2018. The amount of aggregate intrinsic value will change based on the price of the Company's common stock.

Options outstanding as of December 31, 2018 are summarized below (in millions, except price per share and number of years):

Exercise Price	Outstanding			Exercisable	
	Shares	Average Exercise Price	Average Remaining Life (in years)	Shares	Average Exercise Price
\$19.89 to \$39.60	2.1	\$ 34.15	2	2.0	\$ 34.13
\$39.61 to \$56.70	2.5	48.73	4	2.3	48.15
\$56.71 to \$70.75	6.1	64.58	6	2.6	63.64
\$70.76 to \$86.08	3.9	85.13	8	0.7	84.37
\$86.09 to \$101.65	4.0	99.23	9	0.1	95.44

The aggregate intrinsic value of options exercised during the years ended December 31, 2018, 2017 and 2016 was \$202 million, \$162 million and \$210 million, respectively. Exercise of options during the years ended December 31, 2018, 2017 and 2016 resulted in cash receipts of \$133 million, \$117 million and \$161 million, respectively. Upon exercise of the award by the employee, the Company derives a tax deduction measured by the excess of the market value over the grant price at the date of exercise. The Company realized a tax benefit of \$40 million, \$50 million and \$61 million in 2018, 2017 and 2016, respectively, related to the exercise of employee stock options.

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The following summarizes information on unvested RSU and PSU activity (in millions, except weighted average grant-date fair value):

	Number of RSUs/PSUs	Weighted Average Grant-Date Fair Value
<b>Unvested as of January 1, 2016</b>	6.1	\$ 53.93
Granted	1.9	66.15
Vested	(1.8)	50.64
Adjustment due to Fortive Separation <sup>(a)</sup>	(1.2)	58.24
Forfeited	(0.5)	28.79
<b>Unvested as of December 31, 2016</b>	4.5	62.16
Granted	1.4	86.04
Vested	(1.5)	58.48
Forfeited	(0.5)	68.83
<b>Unvested as of December 31, 2017</b>	3.9	71.27
Granted	1.5	99.15
Vested	(1.2)	68.37
Forfeited	(0.3)	78.41
<b>Unvested as of December 31, 2018</b>	3.9	82.21

<sup>(a)</sup> The "Adjustment due to Fortive Separation" reflects the cancellation of RSUs and PSUs which were outstanding as of July 2, 2016 and held by Fortive employees which have been converted to Fortive equity awards as part of the Fortive Separation.

The Company realized a tax benefit of \$17 million, \$35 million and \$38 million in the years ended December 31, 2018, 2017 and 2016, respectively, related to the vesting of RSUs.

Prior to the adoption of ASU 2016-09 in 2017, the difference between the actual tax benefit realized upon exercise and the tax benefit recorded based on the fair value of the stock award at the time of grant (the "excess tax benefits") was recorded as an increase to additional paid-in capital and was reflected as a financing cash flow. For the year ended December 31, 2016, the Company recorded an increase to additional paid-in capital and a financing cash flow of \$50 million for the excess tax benefit. As a result of the adoption of ASU 2016-09, the excess tax benefit of \$38 million and \$55 million related to the exercise of employee stock options and vesting of RSUs for the years ended December 31, 2018 and 2017, respectively, has been recorded as a reduction to the current income tax provision and is reflected as an operating cash inflow in the accompanying Consolidated Statements of Cash Flows.

In connection with the exercise of certain stock options and the vesting of RSUs previously issued by the Company, a number of shares sufficient to fund statutory minimum tax withholding requirements has been withheld from the total shares issued or released to the award holder (though under the terms of the applicable plan, the shares are considered to have been issued and are not added back to the pool of shares available for grant). During the year ended December 31, 2018, 400 thousand shares with an aggregate value of \$41 million were withheld to satisfy the requirement. During the year ended December 31, 2017, 600 thousand shares with an aggregate value of \$47 million were withheld to satisfy the requirement. The withholding is treated as a reduction in additional paid-in capital in the accompanying Consolidated Statements of Stockholders' Equity.

#### NOTE 19. NET EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Basic net earnings per share ("EPS") from continuing operations is calculated by dividing net earnings from continuing operations by the weighted average number of common shares outstanding for the applicable period. Diluted net EPS from continuing operations is computed based on the weighted average number of common shares outstanding increased by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued and reduced by the number of shares the Company could have repurchased with the proceeds from the issuance of the potentially dilutive shares. For the years ended December 31, 2018, 2017 and 2016, 1 million, 4 million and 1 million options to purchase shares, respectively, were not included in the diluted earnings per share calculation as the impact of their inclusion would have been anti-dilutive.

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Information related to the calculation of net earnings from continuing operations per share of common stock is summarized as follows (\$ and shares in millions, except per share amounts):

	Net Earnings from Continuing Operations (Numerator)	Shares (Denominator)	Per Share Amount
<b>For the year ended December 31, 2018</b>			
Basic EPS	\$ 2,650.9	700.6	\$ 3.78
Adjustment for interest on convertible debentures	2.2	—	
Incremental shares from assumed exercise of dilutive options and vesting of dilutive RSUs and PSUs	—	7.2	
Incremental shares from assumed conversion of the convertible debentures	—	2.4	
Diluted EPS	<u>\$ 2,653.1</u>	<u>710.2</u>	<u>\$ 3.74</u>
<b>For the year ended December 31, 2017</b>			
Basic EPS	\$ 2,469.8	695.8	\$ 3.55
Adjustment for interest on convertible debentures	2.1	—	
Incremental shares from assumed exercise of dilutive options and vesting of dilutive RSUs and PSUs	—	7.5	
Incremental shares from assumed conversion of the convertible debentures	—	2.8	
Diluted EPS	<u>\$ 2,471.9</u>	<u>706.1</u>	<u>\$ 3.50</u>
<b>For the year ended December 31, 2016</b>			
Basic EPS	\$ 2,153.4	691.2	\$ 3.12
Adjustment for interest on convertible debentures	1.8	—	
Incremental shares from assumed exercise of dilutive options and vesting of dilutive RSUs and PSUs	—	6.0	
Incremental shares from assumed conversion of the convertible debentures	—	2.6	
Diluted EPS	<u>\$ 2,155.2</u>	<u>699.8</u>	<u>\$ 3.08</u>

**NOTE 20. SEGMENT INFORMATION**

The Company operates and reports its results in four separate business segments consisting of the Life Sciences, Diagnostics, Dental and Environmental & Applied Solutions segments. When determining the reportable segments, the Company aggregated operating segments based on their similar economic and operating characteristics. Operating profit represents total revenues less operating expenses, excluding nonoperating income and expense, interest and income taxes. Operating profit amounts in the Other segment consist of unallocated corporate costs and other costs not considered part of management's evaluation of reportable segment operating performance. The identifiable assets by segment are those used in each segment's operations. Intersegment amounts are not significant and are eliminated to arrive at consolidated totals.

Detailed segment data for the years ended December 31 is as follows (\$ in millions):

	2018	2017	2016
<b>Sales:</b>			
Life Sciences	\$ 6,471.4	\$ 5,710.1	\$ 5,365.9
Diagnostics	6,257.6	5,839.9	5,038.3
Dental	2,844.5	2,810.9	2,785.4
Environmental & Applied Solutions	4,319.5	3,968.8	3,692.8
Total	<u>\$ 19,893.0</u>	<u>\$ 18,329.7</u>	<u>\$ 16,882.4</u>
<b>Operating profit:</b>			
Life Sciences	\$ 1,229.3	\$ 1,004.3	\$ 818.9
Diagnostics	1,073.8	871.6	786.4
Dental	346.7	400.7	419.4
Environmental & Applied Solutions	988.0	914.6	870.0
Other	(234.0)	(200.8)	(159.5)
Total	<u>\$ 3,403.8</u>	<u>\$ 2,990.4</u>	<u>\$ 2,735.2</u>
<b>Identifiable assets:</b>			
Life Sciences	\$ 22,122.4	\$ 20,576.8	\$ 19,875.9
Diagnostics	14,031.1	14,359.2	14,159.6
Dental	5,897.3	6,026.8	5,772.2
Environmental & Applied Solutions	4,637.3	4,649.2	4,172.9
Other	1,144.4	1,036.6	1,314.7
Total	<u>\$ 47,832.5</u>	<u>\$ 46,648.6</u>	<u>\$ 45,295.3</u>
<b>Depreciation and amortization:</b>			
Life Sciences	\$ 471.2	\$ 427.9	\$ 426.2
Diagnostics	589.0	581.5	481.5
Dental	130.0	121.4	127.2
Environmental & Applied Solutions	109.0	99.9	86.7
Other	8.5	7.6	6.5
Total	<u>\$ 1,307.7</u>	<u>\$ 1,238.3</u>	<u>\$ 1,128.1</u>

	2018	2017	2016
<b>Capital expenditures, gross:</b>			
Life Sciences	\$ 140.1	\$ 130.6	\$ 109.7
Diagnostics	380.0	372.6	374.3
Dental	72.2	48.9	49.1
Environmental & Applied Solutions	57.1	60.9	51.0
Other	6.3	6.6	5.5
<b>Total</b>	<b>\$ 655.7</b>	<b>\$ 619.6</b>	<b>\$ 589.6</b>

**Operations in Geographical Areas:**

(\$ in millions)	Year Ended December 31		
	2018	2017	2016
<b>Sales:</b>			
United States	\$ 7,374.4	\$ 6,837.9	\$ 6,377.4
China	2,357.3	2,011.6	1,799.1
Germany	1,247.0	1,161.6	1,084.6
Japan	918.7	872.1	864.7
All other (each country individually less than 5% of total sales)	7,995.6	7,446.5	6,756.6
<b>Total</b>	<b>\$ 19,893.0</b>	<b>\$ 18,329.7</b>	<b>\$ 16,882.4</b>

**Property, plant and equipment, net:**

United States	\$ 1,224.4	\$ 1,126.2	\$ 1,198.4
Germany	198.3	212.4	190.8
United Kingdom	157.0	152.0	140.6
All other (each country individually less than 5% of total property, plant and equipment, net)	931.5	964.0	824.2
<b>Total</b>	<b>\$ 2,511.2</b>	<b>\$ 2,454.6</b>	<b>\$ 2,354.0</b>

**Sales by Major Product Group:**

(\$ in millions)	Year Ended December 31		
	2018	2017	2016
Analytical and physical instrumentation	\$ 2,437.0	\$ 2,232.9	\$ 2,088.9
Research and medical products	12,686.0	11,512.4	10,366.7
Dental products	2,844.5	2,810.9	2,785.4
Product identification	1,925.5	1,773.5	1,641.4
<b>Total</b>	<b>\$ 19,893.0</b>	<b>\$ 18,329.7</b>	<b>\$ 16,882.4</b>

**NOTE 21. QUARTERLY DATA-UNAUDITED**

(\$ in millions, except per share data)	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<b>2018:</b>				
Sales	\$ 4,695.4	\$ 4,981.0	\$ 4,853.1	\$ 5,363.5
Gross profit	2,643.6	2,817.1	2,690.5	2,955.9
Operating profit	743.0	867.5	830.7	962.6
Net earnings from continuing operations	566.6	673.8	663.7	746.8
Net earnings	566.6	673.8	663.7	746.8
Net earnings per share from continuing operations:				
Basic	\$ 0.81	\$ 0.96	\$ 0.95	\$ 1.06
Diluted	\$ 0.80	\$ 0.95	\$ 0.93	\$ 1.05 *
Net earnings per share:				
Basic	\$ 0.81	\$ 0.96	\$ 0.95	\$ 1.06
Diluted	\$ 0.80	\$ 0.95	\$ 0.93	\$ 1.05 *
<b>2017:</b>				
Sales	\$ 4,205.7	\$ 4,510.1	\$ 4,528.2	\$ 5,085.7
Gross profit	2,334.3	2,482.3	2,536.8	2,839.1
Operating profit	617.0	676.7	759.2	937.5
Net earnings from continuing operations	483.8	557.3	572.1	856.6
Net earnings from discontinued operations	22.3	—	—	—
Net earnings	506.1	557.3	572.1	856.6
Net earnings per share from continuing operations:				
Basic	\$ 0.70	\$ 0.80	\$ 0.82	\$ 1.23
Diluted	\$ 0.69	\$ 0.79	\$ 0.81	\$ 1.21
Net earnings per share from discontinued operations:				
Basic	\$ 0.03	\$ —	\$ —	\$ —
Diluted	\$ 0.03	\$ —	\$ —	\$ —
Net earnings per share:				
Basic	\$ 0.73	\$ 0.80	\$ 0.82	\$ 1.23
Diluted	\$ 0.72	\$ 0.79	\$ 0.81	\$ 1.21

\* Net earnings per share amounts do not add across to the full year amount due to rounding.

## ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

### ITEM 9A. CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's President and Chief Executive Officer, and Executive Vice President and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the Company's President and Chief Executive Officer, and Executive Vice President and Chief Financial Officer, have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

Management's annual report on its internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) and the independent registered public accounting firm's audit report on the effectiveness of Danaher's internal control over financial reporting are included in the Company's financial statements for the year ended December 31, 2018 included in Item 8 of this Annual Report on Form 10-K, under the headings "Report of Management on Danaher Corporation's Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm," respectively, and are incorporated herein by reference.

The Company completed the acquisition of IDT on April 13, 2018. Since the Company has not yet fully incorporated the internal controls and procedures of IDT into the Company's internal control over financial reporting, management excluded IDT from its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. IDT constituted less than 5% of the Company's total assets as of December 31, 2018 and approximately 1% of the Company's total revenues for the year then ended.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's most recent completed quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

### ITEM 9B. OTHER INFORMATION

Not applicable.

## PART III

### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than the information below, the information required by this Item is incorporated by reference from the sections entitled *Proposal 1—Election of Directors of Danaher, Corporate Governance* and *Other Information—Section 16(a) Beneficial Ownership Reporting Compliance* in the Proxy Statement for the Company's 2019 annual meeting of shareholders and from the information under the caption "Executive Officers of the Registrant" in Part I hereof. No nominee for director was selected pursuant to any arrangement or understanding between the nominee and any person other than the Company pursuant to which such person is or was to be selected as a director or nominee.

#### Code of Ethics

Danaher has adopted a code of business conduct and ethics for directors, officers (including Danaher's principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Conduct. The Code of Conduct is available in the "Investors—Corporate Governance" section of Danaher's website at [www.danaher.com](http://www.danaher.com).

Danaher intends to disclose any amendment to the Code of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any of its other executive officers, in the "Investors—Corporate Governance" section of its website, at [www.danaher.com](http://www.danaher.com), within four business days following the date of such amendment or waiver.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by this Item is incorporated by reference from the sections entitled *Director Compensation, Compensation Discussion and Analysis, Compensation Committee Report, Compensation Tables and Information* and *Summary of Employment Agreements and Plans* in the Proxy Statement for the Company's 2019 annual meeting of shareholders (provided that the Compensation Committee Report shall not be deemed to be "filed").

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item is incorporated by reference from the sections entitled *Beneficial Ownership of Danaher Common Stock by Directors, Officers and Principal Shareholders, Summary of Employment Agreements and Plans* and *Compensation Tables and Information* in the Proxy Statement for the Company's 2019 annual meeting of shareholders.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this Item is incorporated by reference from the sections entitled *Director Independence and Related Person Transactions* in the Proxy Statement for the Company's 2019 annual meeting of shareholders.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item is incorporated by reference from the section entitled *Proposal 2—Ratification of Independent Registered Public Accounting Firm* in the Proxy Statement for the Company's 2019 annual meeting of shareholders.



**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

a) The following documents are filed as part of this report.

- (1) Financial Statements. The financial statements are set forth under “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.
- (2) Schedules. An index of Exhibits and Schedules is on page 117 of this report. Schedules other than those listed below have been omitted from this Annual Report on Form 10-K because they are not required, are not applicable or the required information is included in the financial statements or the notes thereto.
- (3) Exhibits. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report on Form 10-K.

**ITEM 16. FORM 10-K SUMMARY**

Not applicable.

**DANAHER CORPORATION  
INDEX TO FINANCIAL STATEMENTS, SUPPLEMENTARY DATA AND FINANCIAL STATEMENT SCHEDULE****Page Number in  
Form 10-K**

Schedule:

[Valuation and Qualifying Accounts](#)[125](#)**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>	
2.1	<a href="#">Separation and Distribution Agreement, dated as of July 1, 2016, by and between Danaher Corporation and Fortive Corporation+</a>	Incorporated by reference to Exhibit 2.1 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-8089)
3.1	<a href="#">Restated Certificate of Incorporation of Danaher Corporation</a>	Incorporated by reference from Exhibit 3.1 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended June 29, 2012 (Commission File Number: 1-8089)
3.2	<a href="#">Amended and Restated By-laws of Danaher Corporation</a>	Incorporated by reference from Exhibit 3.2 to Danaher Corporation's Current Report on Form 8-K filed December 6, 2016 (Commission File Number: 1-8089)
4.1	<a href="#">Senior Indenture dated as of December 11, 2007 by and between Danaher Corporation and The Bank of New York Trust Company, N.A. as trustee ("Senior Indenture")</a>	Incorporated by reference from Exhibit 1.2 to Danaher Corporation's Current Report on Form 8-K filed on December 11, 2007 (Commission File Number: 1-8089)
4.2	<a href="#">Supplemental Indenture to Senior Indenture, dated as of September 15, 2015, by and between Danaher Corporation and The Bank of New York Mellon Trust Company, N.A. as trustee relating to the 2.400% Senior Notes due 2020, 3.350% Senior Notes due 2025 and 4.375% Senior Notes due 2045</a>	Incorporated by reference from Exhibit 4.1 to Danaher Corporation's Current Report on Form 8-K filed September 15, 2015 (Commission File Number: 1-8089)
4.3	<a href="#">Indenture dated as of July 8, 2015, by and between Danaher Corporation, as guarantor, DH Europe Finance S.A., as issuer, and The Bank of New York Mellon Trust Company, N.A. as trustee ("Danaher International Indenture")</a>	Incorporated by reference from Exhibit 4.1 to Danaher Corporation's Current Report on Form 8-K filed on July 8, 2015 (Commission File Number: 1-8089)
4.4	<a href="#">First Supplemental Indenture to Danaher International Indenture, dated as of July 8, 2015, by and between Danaher Corporation, as guarantor, DH Europe Finance S.A., as issuer, and The Bank of New York Mellon Trust Company, N.A. as trustee relating to the 1.000% Senior Notes due 2019, the 1.700% Senior Notes due 2022 and the 2.500% Senior Notes due 2025</a>	Incorporated by reference from Exhibit 4.2 to Danaher Corporation's Current Report on Form 8-K filed on July 8, 2015 (Commission File Number: 1-8089)

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4.5	<a href="#"><u>Paying and Calculation Agency Agreement, dated as of July 8, 2015, by and among Danaher International, Danaher Corporation, and The Bank of New York Mellon, London Branch, as paying and calculation agent</u></a>	Incorporated by reference from Exhibit 4.3 to Danaher Corporation's Current Report on Form 8-K filed on July 8, 2015 (Commission File Number: 1-8089)
4.6	<a href="#"><u>Second Supplemental Indenture to Danaher International Indenture, dated as of June 30, 2017, by and between Danaher Corporation, as guarantor, DH Europe Finance S.A., as issuer, and The Bank of New York Mellon Trust Company, N.A. as trustee relating to the Floating Rate Senior Notes due 2022 and the 1.200% Senior Notes due 2027</u></a>	Incorporated by reference from Exhibit 4.2 to Danaher Corporation's Current Report on Form 8-K filed on June 30, 2017 (Commission File Number: 1-8089)
4.7	<a href="#"><u>Paying and Calculation Agency Agreement, dated as of June 30, 2017, by and among Danaher International, Danaher Corporation, The Bank of New York Mellon Trust Company, N.A. as trustee and The Bank of New York Mellon, London Branch, as paying and calculation agent</u></a>	Incorporated by reference from Exhibit 4.3 to Danaher Corporation's Current Report on Form 8-K filed on June 30, 2017 (Commission File Number: 1-8089)
10.1	<a href="#"><u>Danaher Corporation 2007 Omnibus Incentive Plan, as amended and restated*</u></a>	Incorporated by reference from Exhibit 10.1 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017 (Commission File Number: 333-213631)
10.2	<a href="#"><u>Danaher Corporation Non-Employee Directors' Deferred Compensation Plan, as amended, a sub-plan under the 2007 Omnibus Incentive Plan*</u></a>	Incorporated by reference from Exhibit 10.2 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (Commission File Number: 1-8089)
10.3	<a href="#"><u>Amended Form of Election to Defer under the Danaher Corporation Non-Employee Directors' Deferred Compensation Plan*</u></a>	Incorporated by reference from Exhibit 10.3 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (Commission File Number: 1-8089)
10.4	<a href="#"><u>Form of Danaher Corporation 2007 Omnibus Incentive Plan Stock Option Agreement for Non-Employee Directors*</u></a>	
10.5	<a href="#"><u>Form of Danaher Corporation 2007 Omnibus Incentive Plan RSU Agreement for Non-Employee Directors*</u></a>	
10.6	<a href="#"><u>Form of Danaher Corporation 2007 Omnibus Incentive Plan Stock Option Agreement*</u></a>	
10.7	<a href="#"><u>Form of Danaher Corporation 2007 Omnibus Incentive Plan RSU Agreement*</u></a>	
10.8	<a href="#"><u>Danaher Corporation &amp; Subsidiaries Amended and Restated Executive Deferred Incentive Program*</u></a>	
10.9	<a href="#"><u>Danaher Corporation Excess Contribution Program, a sub-plan under the 2007 Omnibus Incentive Plan, as amended and restated*</u></a>	

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10.10	<a href="#"><u>Danaher Corporation Deferred Compensation Plan*</u></a>	Incorporated by reference from Exhibit 10.3 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended September 28, 2018 (Commission File Number: 1-8089)
10.11	<a href="#"><u>Danaher Corporation Senior Leader Severance Pay Plan*</u></a>	Incorporated by reference from Exhibit 10.1 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended March 29, 2013 (Commission File Number: 1-8089)
10.12	<a href="#"><u>Agreement Regarding Competition and Protection of Proprietary Interests by and between Danaher Corporation and Thomas P. Joyce, Jr., dated March 16, 2009* <sup>(1)</sup></u></a>	Incorporated by reference from Exhibit 10.16 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2014 (Commission File Number: 1-8089)
10.13	<a href="#"><u>Amendment to Agreement Regarding Competition and Protection of Proprietary Interests by and between Danaher Corporation and Thomas P. Joyce, Jr., dated September 11, 2014*</u></a>	Incorporated by reference from Exhibit 10.1 to Danaher Corporation's Current Report on Form 8-K filed on September 15, 2014 (Commission File Number: 1-8089)
10.14	<a href="#"><u>Agreement Regarding Competition and Protection of Proprietary Interests by and between Danaher Corporation and Joakim Weidemanis, dated August 1, 2011*</u></a>	
10.15	<a href="#"><u>Agreement Regarding Competition and Protection of Proprietary Interests by and between Danaher Corporation and Matthew McGrew dated November 7, 2018*</u></a>	Incorporated by reference from Exhibit 10.2 to Danaher Corporation's Current Report on Form 8-K filed on November 8, 2018 (Commission File Number: 1-8089)
10.16	<a href="#"><u>Letter Agreement by and between Danaher Corporation and Matthew McGrew, dated November 7, 2018*</u></a>	Incorporated by reference from Exhibit 10.1 to Danaher Corporation's Current Report on Form 8-K filed on November 8, 2018 (Commission File Number: 1-8089)
10.17	<a href="#"><u>Agreement Regarding Competition and Protection of Proprietary Interests by and between Danaher Corporation and Rainer Blair, dated May 2, 2010*</u></a>	Incorporated by reference from Exhibit 10.20 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2016 (Commission File Number: 1-8089)
10.18	<a href="#"><u>Description of compensation arrangements for non-management directors*</u></a>	
10.19	<a href="#"><u>Credit Agreement, dated as of July 10, 2015, among Danaher Corporation, Bank of America, N.A., as Administrative Agent and a Swing Line lender, Citibank, N.A. as Syndication Agent, Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated, Citigroup Global Markets Inc., The Bank Of Tokyo - Mitsubishi UFJ, Ltd., BNP Paribas Securities Corp., US Bank National Association, HSBC Securities (USA) Inc. and Wells Fargo Securities, LLC as Joint Lead Arrangers and Joint Book Managers, and the other lenders referred to therein</u></a>	Incorporated by reference from Exhibit 10.1 to Danaher Corporation's Current Report on Form 8-K filed on July 10, 2015 (Commission File Number: 1-8089)
10.20	<a href="#"><u>Management Agreement dated February 23, 2012 by and between FJ900, Inc. and Joust Capital III, LLC<sup>(2)</sup></u></a>	Incorporated by reference from Exhibit 10.25 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2011 (Commission File Number: 1-8089)

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10.21	<a href="#"><u>Interchange Agreement dated July 22, 2011 by and between Danaher Corporation and Joust Capital III, LLC</u></a> <sup>(3)</sup>	Incorporated by reference from Exhibit 10.10 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended July 1, 2011 (Commission File Number: 1-8089)
10.22	<a href="#"><u>Aircraft Time Sharing Agreement by and between Danaher Corporation and Thomas P. Joyce, Jr., dated May 7, 2014*</u></a> <sup>(4)</sup>	Incorporated by reference from Exhibit 10.2 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended June 27, 2014 (Commission File Number: 1-8089)
10.23	<a href="#"><u>Amendment No. 1 to Aircraft Time Sharing Agreement by and between Danaher Corporation and Thomas P. Joyce, Jr., dated July 1, 2016*</u></a> <sup>(4)</sup>	Incorporated by reference from Exhibit 10.7 to Danaher Corporation's Quarterly Report on Form 10-Q for the quarter ended July 1, 2016 (Commission File Number: 1-8089)
10.24	<a href="#"><u>Form of Director and Officer Indemnification Agreement</u></a>	Incorporated by reference from Exhibit 10.35 to Danaher Corporation's Annual Report on Form 10-K for the year ended December 31, 2008 (Commission File Number: 1-8089)
10.25	<a href="#"><u>Employee Matters Agreement, dated as of July 1, 2016, by and between Danaher Corporation and Fortive Corporation</u></a>	Incorporated by reference from Exhibit 10.2 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-37654)
10.26	<a href="#"><u>Tax Matters Agreement, dated as of July 1, 2016, by and between Danaher Corporation and Fortive Corporation</u></a>	Incorporated by reference from Exhibit 10.3 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-37654)
10.27	<a href="#"><u>Transition Services Agreement, dated as of July 1, 2016, by and between Danaher Corporation and Fortive Corporation</u></a>	Incorporated by reference from Exhibit 10.1 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-37654)
10.28	<a href="#"><u>Intellectual Property Matters Agreement, dated as of July 1, 2016, by and between Danaher Corporation and Fortive Corporation</u></a>	Incorporated by reference from Exhibit 10.4 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-37654)
10.29	<a href="#"><u>DBS License Agreement, dated as of July 1, 2016 by and between Danaher Corporation and Fortive Corporation</u></a>	Incorporated by reference from Exhibit 10.5 to Amendment No. 1 to Fortive Corporation's Registration Statement on Form 10, filed on March 3, 2016 (Commission File Number: 1-37654)
21.1	<a href="#"><u>Subsidiaries of Registrant</u></a>	
23.1	<a href="#"><u>Consent of Independent Registered Public Accounting Firm</u></a>	
31.1	<a href="#"><u>Certification of Chief Executive Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	

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31.2	<a href="#">Certification of Chief Financial Officer Pursuant to Item 601(b) (31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1	<a href="#">Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2	<a href="#">Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	XBRL Instance Document <sup>(5)</sup>
101.SCH	XBRL Taxonomy Extension Schema Document <sup>(5)</sup>
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document <sup>(5)</sup>
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document <sup>(5)</sup>
101.LAB	XBRL Taxonomy Extension Label Linkbase Document <sup>(5)</sup>
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document <sup>(5)</sup>

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Danaher is a party to additional long-term debt instruments under which, in each case, the total amount of debt authorized does not exceed 10% of the total assets of Danaher and its subsidiaries on a consolidated basis. Pursuant to paragraph 4(iii)(A) of Item 601(b) of Regulation S-K, Danaher agrees to furnish a copy of such instruments to the Securities and Exchange Commission upon request.

- + The schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. Danaher will furnish copies of such schedules to the Securities and Exchange Commission upon request.
- \* Indicates management contract or compensatory plan, contract or arrangement.
- (1) In accordance with Instruction 2 to Item 601(a)(4) of Regulation S-K, Danaher has entered into an agreement with William K. Daniel II that is substantially identical in all material respects to the form of agreement referenced as Exhibit 10.12 except as to the name of the counterparty.
- (2) In accordance with Instruction 2 to Item 601(a)(4) of Regulation S-K, FJ900, Inc. (a subsidiary of Danaher) has entered into a management agreement with Joust Capital II, LLC that is substantially identical in all material respects to the form of agreement referenced as Exhibit 10.20, except as to the referenced aircraft and the name of the counterparty.
- (3) In accordance with Instruction 2 to Item 601(a)(4) of Regulation S-K, Danaher Corporation or a subsidiary thereof has entered into additional interchange agreements with each of Joust Capital II, LLC and Joust Capital III, LLC that are substantially identical in all material respects to the form of agreement attached as 10.21, except as to the referenced aircraft and, in certain cases, the name of the counterparty.
- (4) In accordance with Instruction 2 to Item 601(a)(4) of Regulation S-K, Danaher Corporation has entered into an aircraft time sharing agreement with Matthew R. McGrew that is substantially identical in all material respects to the forms of agreement referenced as Exhibit 10.22 and Exhibit 10.23, respectively.
- (5) Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2018 and 2017, (ii) Consolidated Statements of Earnings for the years ended December 31, 2018, 2017 and 2016, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017 and 2016, (iv) Consolidated Statements of Stockholders' Equity for the years December 31, 2018, 2017 and 2016, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016 and (vi) Notes to Consolidated Financial Statements.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**DANAHER CORPORATION**

Date: February 20, 2019

By: /s/ THOMAS P. JOYCE, JR.  
Thomas P. Joyce, Jr.  
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

<b>Name, Title and Signature</b>	<b>Date</b>
<u>/s/ STEVEN M. RALES</u> Steven M. Rales Chairman of the Board	February 20, 2019
<u>/s/ MITCHELL P. RALES</u> Mitchell P. Rales Chairman of the Executive Committee	February 20, 2019
<u>/s/ DONALD J. EHRLICH</u> Donald J. Ehrlich Director	February 20, 2019
<u>/s/ LINDA HEFNER FILLER</u> Linda Hefner Filler Director	February 20, 2019
<u>/s/ THOMAS P. JOYCE, JR.</u> Thomas P. Joyce, Jr. President, Chief Executive Officer and Director	February 20, 2019
<u>/s/ TERI LIST-STOLL</u> Teri List-Stoll Director	February 20, 2019
<u>/s/ WALTER G. LOHR, JR.</u> Walter G. Lohr, Jr. Director	February 20, 2019
<u>/s/ JOHN T. SCHWIETERS</u> John T. Schwieters Director	February 20, 2019



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<u>/s/ ALAN G. SPOON</u> Alan G. Spoon Director	February 20, 2019
<u>/s/ RAYMOND C. STEVENS, Ph.D.</u> Raymond C. Stevens Director	February 20, 2019
<u>/s/ ELIAS A. ZERHOUNI, M.D.</u> Elias A. Zerhouni, M.D. Director	February 20, 2019
<u>/s/ MATTHEW R. MCGREW</u> Matthew R. McGrew Executive Vice President and Chief Financial Officer	February 20, 2019
<u>/s/ ROBERT S. LUTZ</u> Robert S. Lutz Senior Vice President and Chief Accounting Officer	February 20, 2019

**DANAHER CORPORATION AND SUBSIDIARIES**  
**SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS**  
(\$ in millions)

Classification	Balance at Beginning of Period <sup>(a)</sup>	Charged to Costs & Expenses	Impact of Currency	Charged to Other Accounts <sup>(b)</sup>	Write-Offs, Write-Downs & Deductions	Balance at End of Period <sup>(a)</sup>
<b>Year ended December 31, 2018:</b>						
Allowances deducted from asset account						
Allowance for doubtful accounts	\$ 118.2	\$ 35.9	\$ (4.5)	\$ 1.3	\$ (29.3)	\$ 121.6
<b>Year ended December 31, 2017:</b>						
Allowances deducted from asset account						
Allowance for doubtful accounts	\$ 103.5	\$ 32.9	\$ 4.5	\$ 3.5	\$ (26.2)	\$ 118.2
<b>Year ended December 31, 2016:</b>						
Allowances deducted from asset account						
Allowance for doubtful accounts	\$ 89.7	\$ 32.5	\$ (0.6)	\$ 2.3	\$ (20.4)	\$ 103.5

<sup>(a)</sup> Amounts include allowance for doubtful accounts classified as current and noncurrent.

<sup>(b)</sup> Amounts related to businesses acquired, net of amounts related to businesses disposed not included in discontinued operations.

**DANAHER CORPORATION**  
**2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**  
**STOCK OPTION AGREEMENT**  
**(Non-Employee Directors)**

Unless otherwise defined herein, the terms defined in the Danaher Corporation 2007 Omnibus Incentive Plan, As Amended and Restated (the "Plan") will have the same defined meanings in this Stock Option Agreement (the "Agreement").

**I. NOTICE OF STOCK OPTION GRANT**

**Name:**

**Optionee ID:**

The undersigned Optionee has been granted Options to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant \_\_\_\_\_  
 Exercise Price per Share \$ \_\_\_\_\_  
 Total Number of Shares Granted \_\_\_\_\_  
 Type of Option Nonstatutory Stock Option  
 Expiration Date Tenth anniversary of Date of Grant  
 Vesting Schedule 100% vested upon grant

**II. AGREEMENT**

1. Grant of Option. The Company hereby grants to the Optionee named in this Grant Notice (the "Optionee"), an option (the "Option" or the "Options" as the case may be) to purchase the number of shares (the "Shares") set forth in the Grant Notice, at the exercise price per Share set forth in the Grant Notice (the "Exercise Price"), and subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the applicable provisions of the Plan and this Agreement.

(b) Method and Time of Exercise. This Option shall be exercisable by any method permitted by the Plan and this Agreement that is made available from time to time by the external third party administrator of the Options. An exercise may be made with respect to whole Shares only, and not for a fraction of a Share. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Compensation Committee (the "Committee") of the Company's Board of Directors may require the Optionee to take any reasonable action in order to comply with any such rules or regulations. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

(c) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon exercise of an Option, the Committee may require that the Optionee agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the Options are registered under the Securities Act. The Committee may also require the Optionee to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Optionee acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

(d) Fractional Shares. The Company will not issue fractional Shares upon the exercise of an Option. Any fractional Share will be rounded up and issued to the Optionee in a whole Share; provided that to the extent rounding a fractional Share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), or (ii) adverse tax consequences if the Optionee is located outside of the United States, the fractional Share will be rounded down without the payment of any consideration in respect of such fractional Share.

(e) Automatic Exercise Upon Expiration Date. Notwithstanding any other provision of this Agreement (other than this Section), on the last trading day on which all or a portion of the outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a Share exceeds the per share Exercise Price of the Option by at least \$.01 (such expiring portion of the Option that is so in-the-money, an "Auto-Exercise Eligible Option"), Optionee will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it has not previously been exercised, forfeited or terminated) as of the close of trading in accordance with the provisions of this Section. In the event of an automatic exercise pursuant to this Section, the Company will reduce the number of Shares issued to Optionee upon such automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) Optionee's Exercise Price obligation for the Auto-Exercise Eligible Option, and (2) the minimum amount (or such other rate that will not cause adverse accounting consequences for the Company) of tax required to be withheld, if any, arising upon the automatic exercise in accordance with the procedures of Section 6(f) of the Plan (unless the Committee deems that a different method of satisfying the tax withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Shares as of the close of trading on the date of exercise. Optionee may notify the Plan record-keeper in writing in advance that Optionee does not wish for the Auto-Exercise Eligible Option to be exercised. This Section shall not apply to the Option to the extent that this Section causes the Option to fail to qualify for favorable tax treatment under applicable law. In its discretion, the Company may determine to cease automatically exercising Options at any time.

3. Method of Payment. Unless the Committee consents otherwise, payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash, delivered to the external third party administrator of the Options in any methodology permitted by such third party administrator;

(b) payment under a cashless exercise program approved by the Company or through a broker-dealer sale and remittance procedure pursuant to which the Optionee (i) shall provide written instructions to a licensed broker acceptable to the Company and acting as agent for the Optionee to effect the immediate sale of some or all of the purchased Shares and to remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased Shares and (ii) shall provide written direction to the Company to deliver the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(c) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the exercised Options.

#### 4. Termination.

(a) General. In the event the Optionee's active service-providing relationship with the Company terminates for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, Optionee's right to receive options under the Plan shall terminate as of the date of termination. The Committee shall have discretion to determine whether the Optionee has ceased actively providing services to the Company or Eligible Subsidiary, and the effective date on which such active service-providing relationship terminated. The Optionee's active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., shall not include a period of "garden leave", paid administrative leave or similar period pursuant to applicable law) and in the event of the Optionee's termination (whether or not in breach of applicable labor laws), Optionee's right to exercise any Option after termination, if any, shall be measured by the date of termination of active service and shall not be extended by any notice period mandated under applicable law. Unless the Committee provides otherwise termination will include instances in which the Optionee is terminated and immediately hired as an independent contractor.

(b) General Termination Rule. In the event the Optionee's active service-providing relationship with the Company terminates for any reason (other than death, Disability, Early Retirement, Normal Retirement or Gross Misconduct), whether or not in breach of applicable labor laws, the Optionee shall have a period of 90 days, commencing with the date the Optionee is no longer actively providing services to the Company, to exercise the vested portion of any outstanding Options, subject to the Expiration Date of the Option. However, if the exercise of an Option following Optionee's termination (to the extent such post-termination exercise is permitted under Section 11(a) of the Plan) is not covered by an effective registration statement on file with the U.S. Securities and Exchange Commission, then the Option will terminate upon the later of (i) thirty

(30) days after such exercise becomes covered by an effective registration statement, (ii) in the event that a sale of Shares would subject the Optionee to liability under Section 16(b) of the Exchange Act, thirty (30) days after the last date on which such sale would result in liability, or (iii) the end of the original post-termination exercise period, but in no event may the Option be exercised after the Expiration Date of the Option.

(c) Death. Upon Optionee's death prior to termination, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Option, all unexpired Options may be exercised for a period of twelve (12) months thereafter (subject to the Expiration Date of the Option) by the personal representative of the Optionee's estate or any other person to whom the Option is transferred under a will or under the applicable laws of descent and distribution.

(d) Disability. In the event the Optionee's active service-providing relationship with the Company terminates by reason of the Optionee's Disability, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Option, all unvested Options shall be automatically forfeited by the Optionee as of the date of termination and the Optionee shall have until the first anniversary of the termination of Optionee's active service-providing relationship for Disability (subject to the Expiration Date of the Option) to exercise the vested portion of any outstanding Options.

(e) Retirement. In the event the Optionee's active service-providing relationship with the Company terminates as a result of Retirement, and the Date of Grant of the Option precedes the Optionee's Retirement date by at least six (6) months, the Optionee's Options shall remain outstanding and may be exercised until the fifth anniversary of the Retirement date (or if earlier, the Expiration Date of the Option). If the Date of Grant of the Option does not precede the Optionee's Retirement date by at least six (6) months, the post-termination exercise period with respect to such Option shall be governed by the other provisions of this Section 4, as applicable.

(f) Gross Misconduct. If the Optionee is terminated as an Eligible Director by reason of Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Optionee's unexercised Options shall terminate and be forfeited immediately, without consideration. The Optionee acknowledges and agrees that the Optionee's termination shall also be deemed to be a termination by reason of the Optionee's Gross Misconduct if, after the Optionee's active service-providing relationship has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(g) Violation of Post-Termination Covenant. To the extent that any of the Optionee's Options remain outstanding under the terms of the Plan or this Agreement after termination of the Optionee's active service-providing relationship, such Options shall nevertheless expire as of the date the Optionee violates any covenant not to compete or similar covenant that exists between the Optionee on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(h) Substantial Corporate Change. Upon a Substantial Corporate Change, the Optionee's outstanding Options will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the Options, or the substitution for such Options of any options or grants covering the stock or securities of a successor corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the Options will continue in the manner and under the terms so provided.

#### 5. Non-Transferability of Option; Term of Option.

(a) Unless the Committee determines otherwise in advance in writing, the Option may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee and/or by his or her duly appointed guardian. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Optionee.

(b) Notwithstanding any other term in this Agreement, this Option may be exercised only prior to the Expiration Date set out in the Grant Notice, and may be exercised during such term only in accordance with the Plan and the terms of this Agreement.

6. Amendment of Option or Plan. The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof. Optionee expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or any Option in any respect at any time; provided, however, that modifications to this

Agreement or the Plan that materially and adversely affect the Optionee's rights hereunder can be made only in an express written contract signed by the Company and the Optionee. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and Optionee's rights under outstanding Options as it deems necessary or advisable, in its sole discretion and without the consent of the Optionee, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this award of Options.

7. Tax Obligations.

(a) Taxes. Regardless of any action the Company takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items ("Tax Related Items"), the Optionee acknowledges that the ultimate liability for all Tax Related Items associated with the Option is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends or dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax Related Items. Further, if Optionee is subject to tax in more than one jurisdiction, Optionee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Code Section 409A. Payments made pursuant to the Plan and the Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in the Agreement, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that all Options granted to Optionees who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the Options shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any Options granted thereunder. If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Optionee by Section 409A, and the Optionee shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

8. Rights as Shareholder. Until all requirements for exercise of the Option pursuant to the terms of this Agreement and the Plan have been satisfied, the Optionee shall not be deemed to be a shareholder or to have any of the rights of a shareholder with respect to any Shares.

9. No Right to Continue as Eligible Director. Nothing in the Plan or this Agreement shall confer upon the Optionee any right to continuation as an Eligible Director.

10. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any Options have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon Optionee, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether optionees are similarly situated.

11. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the Option for construction and interpretation.

12. Electronic Delivery.

(a) If the Optionee executes this Agreement electronically, for the avoidance of doubt Optionee acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. Optionee acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Optionee executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If Optionee executes this Agreement multiple times (for example, if the Optionee first executes this Agreement in electronic form and subsequently executes the Agreement in paper form), the Optionee acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single grant of Options relating to the number of Shares set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the Option, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Optionee pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Optionee hereby consents to receive such documents by electronic delivery. At the Optionee's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Optionee.

13. **Data Privacy.** *The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants Options under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of Options under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the Option, the Optionee expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) **Data Collection, Processing and Usage.** *The Company collects, processes and uses the Optionee's personal data, including the Optionee's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Options or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Optionee's favor, which the Company receives from the Optionee. In granting the Option under the Plan, the Company will collect the Optionee's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Optionee's personal data is the Optionee's consent.*

(b) **Stock Plan Administration Service Provider.** *The Company transfers the Optionee's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Optionee's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Optionee to receive and trade Shares acquired under the Plan. The Optionee will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Optionee's ability to participate in the Plan.*

(c) **International Data Transfers.** *The Company and the Stock Plan Administrator are based in the United States. The Optionee should note that the Optionee's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Optionee's personal data to the United States is the Optionee's consent.*

(d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *The Optionee's participation in the Plan and his or her grant of consent is purely voluntary. The Optionee may deny or withdraw his or her consent at any time. If the Optionee does not consent, or if the Optionee later withdraws his or her consent, the Optionee may be unable to participate in the Plan. This would not affect the Optionee's existing employment or salary; instead, the Optionee merely may forfeit the opportunities associated with the Plan.*

(e) **Data Subject Rights.** *The Optionee may have a number of rights under the data privacy laws in the Optionee's country of residence. For example, the Optionee's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Optionee's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Optionee's personal data. To receive clarification regarding the Optionee's rights or to exercise his or her rights, the Optionee should contact the Company's local human resources department.*

14. Waiver of Right to Jury Trial. EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE OPTION OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

15. Agreement Severable. In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to this Option, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or any Option must be commenced by Optionee within twelve (12) months of the earliest date on which Optionee's claim first arises, or Optionee's cause of action accrues, or such claim will be deemed waived by Optionee.

17. Nature of Option. In accepting the Option, Optionee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options or benefits in lieu of options, even if options have been granted repeatedly in the past;

(c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(d) Optionee's participation in the Plan is voluntary;

(e) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation;

(f) the future value of the underlying Shares is unknown and cannot be predicted with certainty, and if the Shares do not increase in value, the Option will have no value;

(g) if Optionee exercises the Option and obtains Shares, the value of the Shares obtained upon exercise may increase or decrease in value, even below the Exercise Price;

(h) in consideration of the award of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option, or Shares purchased through the exercise of the Option, resulting from termination of Optionee's continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the applicable jurisdiction) and in consideration of the grant of the Option, Optionee irrevocably releases the Company and any Subsidiary from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing/electronically accepting the Agreement, Optionee shall be deemed to have irrevocably waived the Optionee's entitlement to pursue or seek remedy for any such claim;

(i) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionee's participation in the Plan or Optionee's acquisition or sale of the underlying Shares;

(j) Optionee should consult with Optionee's own personal tax, legal and financial advisors regarding Optionee's participation in the Plan before taking any action related to the Plan; and

(k) neither the Company nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.



18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Waiver. Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Optionee or any other participant.

20. Insider Trading/Market Abuse Laws. By accepting the Options, the Optionee acknowledges that the Optionee is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Optionee further acknowledges that, depending on the Optionee's country, the Optionee may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Optionee's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Optionee placed before the Optionee possessed inside information. Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Optionee acknowledges that it is the Optionee's personal responsibility to comply with any applicable restrictions, and Optionee should speak to his or her personal advisor on this matter.

21. Legal and Tax Compliance; Cooperation. If the Optionee resides or is employed outside of the United States, the Optionee agrees, as a condition of the grant of the Options, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the Options) if required by and in accordance with local foreign exchange rules and regulations in the Optionee's country of residence (and country of employment, if different). In addition, the Optionee also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different). Finally, the Optionee agrees to take any and all actions as may be required to comply with the Optionee's personal legal and tax obligations under local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different).

22. Private Offering. The grant of the Options is not intended to be a public offering of securities in the Optionee's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the Options (unless otherwise required under local law). **No employee of the Company is permitted to advise the Optionee on whether the Optionee should purchase Shares under the Plan or provide the Optionee with any legal, tax or financial advice with respect to the grant of the Options. Investment in Shares involves a degree of risk. Before deciding to purchase Shares pursuant to the Options, the Optionee should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Optionee should carefully review all of the materials related to the Options and the Plan, and the Optionee should consult with the Optionee's personal legal, tax and financial advisors for professional advice in relation to the Optionee's personal circumstances.**

23. Foreign Asset/Account Reporting and Exchange Controls. The Optionee's country may have certain exchange control and/or foreign asset/account reporting requirements which may affect the Optionee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares or sale proceeds resulting from the sale of Shares) in a brokerage or bank account outside the Optionee's country. The Optionee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Optionee may be required to repatriate sale proceeds or other funds received as a result of the Optionee's participation in the Plan to the Optionee's country through a designated bank or broker within a certain time after receipt. The Optionee acknowledges that it is his or her responsibility to comply with any applicable regulations, and that the Optionee should speak to his or her personal advisor on this matter.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in adverse accounting expense to the Company, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. **Recoupment.** The Options granted pursuant to this Agreement are subject to the terms of the Danaher Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto, the "Policy") if and to the extent such Policy by its terms applies to the Options, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Optionee expressly and explicitly authorizes the Company to issue instructions, on the Optionee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Optionee's Shares and other amounts acquired pursuant to the Optionee's Options, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

26. **Notices.** The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to Optionee regarding certain events relating to awards that Optionee may have received or may in the future receive under the Plan, such as notices reminding Optionee of the vesting or expiration date of certain awards. Optionee acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to Optionee the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and Optionee has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by Optionee as a result of the Company's failure to provide any such notices or Optionee's failure to receive any such notices. Optionee further agrees to notify the Company upon any change in his or her residence address.

27. **Limitations on Liability.** Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to Optionee or Optionee's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any Option.

28. **Consent and Agreement With Respect to Plan.** Optionee (a) acknowledges that the Plan and the prospectus relating thereto are available to the Optionee on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts this Option subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2007 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Optionee that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

[If the Agreement is signed in paper form, complete and execute the following:]

**OPTIONEE**

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*Signature*

---

*Print Name*

---

*Residence Address*

**DANAHER CORPORATION**

---

*Signature*

---

*Print Name*

---

*Title*

**DANAHER CORPORATION**  
**2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**  
**RESTRICTED STOCK UNIT AGREEMENT**  
**(Non-Employee Directors)**

Unless otherwise defined herein, the terms defined in the Danaher Corporation 2007 Omnibus Incentive Plan, As Amended and Restated (the "Plan") will have the same defined meanings in this Restricted Stock Unit Agreement (the "Agreement").

**I. GRANT NOTICE**

**Name:**

**Address:**

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant \_\_\_\_\_

Number of Restricted Stock Units \_\_\_\_\_

Time-Based Vesting Criteria                      The time-based vesting criteria will be satisfied with respect to 100% of the shares underlying the RSUs on the earlier of (1) the first anniversary of the Date of Grant, or (2) the date of, and immediately prior to, the next annual meeting of shareholders of the Company following the Date of Grant.

**II. AGREEMENT**

1. Grant of RSUs. Danaher Corporation (the "Company") hereby grants to the Participant named in this Grant Notice (the "Participant"), an Award of Restricted Stock Units ("RSUs") subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, RSUs awarded to a Participant shall not vest until the Participant continues to be actively providing services to the Company for the periods required to satisfy the time-based vesting criteria ("Time-Based Vesting Criteria") applicable to such RSUs. The Time-Based Vesting Criteria applicable to RSUs are referred to as "Vesting Conditions," and the date upon which all Vesting Conditions are satisfied is referred to as the "Vesting Date." The Vesting Conditions shall be established by the Compensation Committee (the "Committee") of the Company's Board of Directors and reflected in the account maintained for the Participant by an external third party administrator of the RSUs. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active service.

(b) Fractional RSU Vesting. In the event the Participant is vested in a fractional portion of an RSU (a "Fractional Portion"), such Fractional Portion will be rounded up and converted into a whole share of Company Common Stock ("Share") and issued to the Participant; provided that to the extent rounding a fractional share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), or (ii) adverse tax consequences if the Participant is located outside of the United States, the fractional share will be rounded down without the payment of any consideration in respect of such fractional share.

3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The Award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the

manner set forth in Sections 2 and 4, the Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, any RSUs that vest in accordance with Sections 2 and 4 will be paid to the Participant in whole Shares on the earlier of (i) the first day of the seventh month following the Participant's separation from service as an Eligible Director, or (ii) the Participant's date of death (or in each case the next business day thereafter if such date is not a business day). The Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the RSUs are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

#### 4. Termination.

(a) General. In the event the Participant's active service-providing relationship with the Company terminates (the date of any such termination is referred to as the "Termination Date") for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the RSUs, all RSUs that are unvested as of the Termination Date shall automatically terminate as of the Termination Date and the Participant's right to receive further RSUs under the Plan shall also terminate as of the Termination Date. The Committee shall have discretion to determine whether the Participant has ceased actively providing services to the Company, and the effective date on which such active service-providing relationship terminated. The Participant's active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g. a period of "garden leave", paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise, termination will include instances in which the Participant is terminated and immediately rehired as an independent contractor.

(b) Death. Upon Participant's death, any unvested RSUs shall vest.

(c) Retirement.

(i) Upon termination of Participant's active service-providing relationship with the Company by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the RSUs, a pro-rata portion of the RSUs that are unvested as of the Early Retirement date (i.e. based on the ratio of (x) the number of full or partial months worked by the Participant from the Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule for such RSUs) will vest as of the Time-Based Vesting Date for such RSUs.

(ii) Upon termination of Participant's active service-providing relationship with the Company by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the RSUs, the RSUs that are unvested as of the Normal Retirement date will vest as of the Time-Based Vesting Date for such RSUs.

(d) Gross Misconduct. If the Participant is terminated as an Eligible Director by reason of Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination shall also be deemed to be a termination by reason of the Participant's Gross Misconduct if, after the Participant's active service-providing relationship has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Termination Covenant. To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or this Agreement after the Termination Date, such RSUs shall expire as of the date the

Participant violates any covenant not to compete or similar covenant that exists between the Participant on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

5. Non-Transferability of RSUs. Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

6. Amendment of RSUs or Plan. The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or the RSUs in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with the RSUs.

#### 7. Tax Obligations.

(a) Taxes. Regardless of any action the Company takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the RSUs is and remains the Participant's responsibility and that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related Items. Further, if Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Code Section 409A. Payments made pursuant to this Plan and the Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in the Agreement, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that all RSUs granted to Participants who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the RSUs shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any RSUs granted thereunder. If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Participant by Section 409A, and the Participant shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

Notwithstanding anything to the contrary in this Agreement, these provisions shall apply to any payments and benefits otherwise payable to or provided to the Participant under this Agreement. For purposes of Section 409A, each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment." In addition, for purposes of Section 409A, payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (i) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (ii) (with respect to amounts paid as separation pay no later than the second calendar year following the calendar year containing the Participant's "separation from service" (as defined for purposes of Section 409A)) the "two years/two-times" involuntary separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which are hereby incorporated by reference.

For purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a “change in ownership or effective control” of the Company or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A.

If the Participant is a “specified employee” as defined in Section 409A (and as applied according to procedures of the Company and its Subsidiaries) as of his or her separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A), and such payment is payable by reason of a separation from service, then to the extent required by Section 409A, no payments due under this Agreement may be made until the earlier of: (i) the first day of the seventh month following the Participant’s separation from service, or (ii) the Participant’s date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the Participant’s separation from service

8. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of this Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

9. No Right to Continue as Eligible Director. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continuation as an Eligible Director.

10. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated.

11. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

12. Electronic Delivery.

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt the Participant acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Participant acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of RSUs set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, this Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company’s intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail (“e-mail”) or such other means of electronic delivery specified by the Company. By executing this Agreement, the Participant hereby consents to receive such documents by electronic delivery. At the Participant’s written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.

13. **Data Privacy.** *The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of the RSUs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the RSUs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) **Data Collection, Processing and Usage.** *The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant. In granting the RSUs under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.*

(b) **Stock Plan Administration Service Provider.** *The Company transfers the Participant's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.*

(c) **International Data Transfers.** *The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Participant's personal data to the United States is the Participant's consent.*

(d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *The Participant's participation in the Plan and his or her grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if the Participant later withdraws his or her consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.*

(e) **Data Subjects Rights.** *The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise his or her rights, the Participant should contact the Company's local human resources department.*

14. **Waiver of Right to Jury Trial.** EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE RSUS OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

15. **Agreement Severable.** In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. **Governing Law and Venue.** The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or RSUs must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.



17. Nature of RSUs. In accepting the RSUs, the Participant acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the award of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs or benefits in lieu of RSUs, even if RSUs have been awarded repeatedly in the past;
- (c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;
- (d) Participant's participation in the Plan is voluntary;
- (e) the award of RSUs and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation;
- (f) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (g) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;
- (h) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or from any diminution in value of the RSUs or the Shares upon vesting of the RSUs resulting from termination of the Participant's continuous service with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any) and in consideration of the grant of the RSUs, the Participant agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing the Agreement/electronically accepting the Agreement, Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue or seek remedy for any such claim;
- (i) neither the Company, nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting; and
- (j) unless otherwise agreed with the Company in writing, the RSUs, the underlying Shares and the income from and value of same are not granted as consideration for, or in connection with, any service Participant may provide as a director of a Subsidiary or affiliate.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by Participant or any other participant.

20. Insider Trading/Market Abuse Laws. By accepting the RSUs, the Participant acknowledges that the Participant is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

21. Legal and Tax Compliance: Cooperation. If the Participant resides or is employed outside of the United States, the Participant agrees, as a condition of the grant of the RSUs, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the RSUs) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

22. Private Offering. The grant of the RSUs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the RSUs (unless otherwise required under local law). **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the RSUs. Investment in Shares involves a degree of risk. Before deciding to acquire Shares pursuant to the RSUs, the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Participant should carefully review all of the materials related to the RSUs and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

23. Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset/ account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets, or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant should consult his or her personal legal advisor for any details.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares subject to the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. Recoupment. The RSUs granted pursuant to this Agreement are subject to the terms of the Danaher Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto, the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired pursuant to the Participant's RSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

26. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide any such notices or the Participant's failure to receive any such notices. The Participant further agrees to notify the Company upon any change in his or her residence address.

27. Limitations on Liability. Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Participant or the Participant's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any RSUs.

28. Consent and Agreement With Respect to Plans. The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts these RSUs subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2007 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

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[If the Agreement is signed in paper form, complete and execute the following:]

**PARTICIPANT**

**DANAHER CORPORATION**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Residence Address*

**DANAHER CORPORATION**  
**2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**  
**STOCK OPTION AGREEMENT**

Unless otherwise defined herein, the terms defined in the Danaher Corporation 2007 Omnibus Incentive Plan, As Amended and Restated (the "Plan") will have the same defined meanings in this Stock Option Agreement (the "Agreement").

**I. NOTICE OF STOCK OPTION GRANT**

**Name:**

**Optionee ID:**

The undersigned Optionee has been granted Options to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Agreement, as follows:

Date of Grant \_\_\_\_\_  
 Exercise Price per Share \$ \_\_\_\_\_  
 Total Number of Shares Granted \_\_\_\_\_  
 Type of Option Nonstatutory Stock Option  
 Expiration Date Tenth anniversary of Date of Grant  
 Vesting Schedule:

**II. AGREEMENT**

1. Grant of Option. The Company hereby grants to the Optionee named in this Grant Notice (the "Optionee"), an option (the "Option" or the "Options" as the case may be) to purchase the number of shares of Common Stock (the "Shares") set forth in the Grant Notice, at the exercise price per Share set forth in the Grant Notice (the "Exercise Price"), and subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, Options awarded to the Optionee shall not vest until the Optionee continues to be actively employed with the Company or an Eligible Subsidiary for the periods required to satisfy the time-based vesting criteria ("Time-Based Vesting Criteria") applicable to such Options. The Time-Based Vesting Criteria applicable to an Option are referred to as "Vesting Conditions," and the earliest date upon which all Vesting Conditions are satisfied is referred to as the "Vesting Date." The Vesting Conditions for an Option received by the Optionee are established by the Compensation Committee (the "Committee") of the Company's Board of Directors (or by one or more members of Company management, if such power has been delegated in accordance with the Plan and applicable law) and reflected in the account maintained for the Optionee by an external third party administrator of the Options. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law, the Committee shall have discretion to provide that the vesting of the Options shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Optionee returns to active employment prior to the Expiration Date of the Options.

(b) Fractional Shares. The Company will not issue fractional Shares upon the exercise of an Option. Any fractional Share will be rounded up and issued to the Optionee in a whole Share; provided that to the extent rounding a fractional Share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the Internal Revenue Code of 1986 ("Section 409A"), or (ii) adverse tax consequences if the Optionee is located outside of the United States, the fractional Share will be rounded down without the payment of any consideration in respect of such fractional Share.

(c) Addenda. The provisions of Addendum A, Addendum B, Addendum C and Addendum D, are incorporated by reference herein and made a part of this Agreement, and to the extent any provision in Addendum A, Addendum B, Addendum C or Addendum D conflicts with any provision set forth elsewhere in this Agreement (including without limitation any provisions relating to Retirement), the provision set forth in Addendum A, Addendum B, Addendum C or Addendum D shall control.

### 3. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Grant Notice and with the applicable provisions of the Plan and this Agreement.

(b) Method and Time of Exercise. This Option shall be exercisable by any method permitted by the Plan and this Agreement that is made available from time to time by the external third party administrator of the Options. An exercise may be made with respect to whole Shares only, and not for a fraction of a Share. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Optionee to take any reasonable action in order to comply with any such rules or regulations. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

(c) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon exercise of an Option, the Committee may require that the Optionee agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the Options are registered under the Securities Act. The Committee may also require the Optionee to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Optionee acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

(d) Automatic Exercise Upon Expiration Date. Notwithstanding any other provision of this Agreement (other than this Section), on the last trading day on which all or a portion of the outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a Share exceeds the per share Exercise Price of the Option by at least \$.01 (such expiring portion of the Option that is so in-the-money, an "Auto-Exercise Eligible Option"), the Optionee will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it has not previously been exercised, forfeited or terminated) as of the close of trading in accordance with the provisions of this Section. In the event of an automatic exercise pursuant to this Section, the Company will reduce the number of Shares issued to the Optionee upon such automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) the Optionee's Exercise Price obligation for the Auto-Exercise Eligible Option, and (2) the minimum amount (or such other rate that will not cause adverse accounting consequences for the Company) of tax required to be withheld arising upon the automatic exercise in accordance with the procedures of Section 6(f) of the Plan (unless the Committee deems that a different method of satisfying the tax withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Shares as of the close of trading on the date of exercise. The Optionee may notify the Plan record-keeper in writing in advance that the Optionee does not wish for the Auto-Exercise Eligible Option to be exercised. This Section shall not apply to the Option to the extent that this Section causes the Option to fail to qualify for favorable tax treatment under applicable law. In its discretion, the Company may determine to cease automatically exercising Options at any time.

4. Method of Payment. Unless the Committee consents otherwise, payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash, delivered to the external third party administrator of the Options in any methodology permitted by such third party administrator;

(b) payment under a cashless exercise program approved by the Company or through a broker-dealer sale and remittance procedure pursuant to which the Optionee (i) shall provide written instructions to a licensed broker acceptable to the Company and acting as agent for the Optionee to effect the immediate sale of some or all of the purchased Shares and to remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased Shares and (ii) shall provide written direction to the Company to deliver the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(c) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the exercised Options.

5. Termination of Employment.

(a) General. In the event the Optionee's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Option, all unvested Options shall be automatically forfeited by the Optionee as of the date of termination and the Optionee's right to receive options under the Plan shall also terminate as of the date of termination. The Committee shall have discretion to determine whether the Optionee has ceased to be actively employed by (or, if the Optionee is a consultant or director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. The Optionee's active employer-employee or other active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include a period of "garden leave", paid administrative leave or similar period pursuant to applicable law) and in the event of the Optionee's termination of employment (whether or not in breach of applicable labor laws), the Optionee's right to exercise any Option after termination of employment, if any, shall be measured by the date of termination of active employment or service and shall not be extended by any notice period mandated under applicable law. Unless the Committee provides otherwise (1) termination of the Optionee's employment will include instances in which the Optionee is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Optionee's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Optionee's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) General Post-Termination Exercise Period. In the event the Optionee's employment (or other active service-providing relationship, as applicable) with the Company or an Eligible Subsidiary terminates for any reason (other than death, Disability, Early Retirement, Normal Retirement or Gross Misconduct), whether or not in breach of applicable labor laws, the Optionee shall have a period of 90 days, commencing with the date the Optionee is no longer actively employed (or is no longer actively providing services, as applicable), to exercise the vested portion of any outstanding Options, subject to the Expiration Date of the Option. However, if the exercise of an Option following the Optionee's termination of employment (to the extent such post-termination exercise is permitted under Section 11(a) of the Plan) is not covered by an effective registration statement on file with the U.S. Securities and Exchange Commission, then the Option will terminate upon the later of (i) thirty (30) days after such exercise becomes covered by an effective registration statement, (ii) in the event that a sale of Shares would subject the Optionee to liability under Section 16(b) of the Exchange Act, thirty (30) days after the last date on which such sale would result in liability, or (iii) the end of the original post-termination exercise period, but in no event may the Option be exercised after the Expiration Date of the Option.

(c) Death. Upon the Optionee's death prior to termination of employment (or other active service-providing relationship, as applicable), unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Option, all unexpired Options shall become fully exercisable and may be exercised for a period of twelve (12) months thereafter (subject to the Expiration Date of the Option) by the personal representative of the Optionee's estate or any other person to whom the Option is transferred under a will or under the applicable laws of descent and distribution.

(d) Disability. In the event the Optionee's employment (or other active service-providing relationship) with the Company or an Eligible Subsidiary terminates by reason of the Optionee's Disability, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the Option, all unvested Options shall be automatically forfeited by the Optionee as of the date of termination and the Optionee shall have until the first anniversary of the Optionee's termination of employment for Disability (subject to the Expiration Date of the Option) to exercise the vested portion of any outstanding Options.

(e) Early Retirement. In the event the Optionee's employment (or other active service-providing relationship) with the Company or an Eligible Subsidiary terminates by reason of the Optionee's Early Retirement, and the Date of Grant of the Option precedes the Optionee's Early Retirement date by at least six (6) months, with respect to each Tranche that is unvested as of the Early Retirement date (a "Tranche" consists of all portions of the Option as to which the Time-Based Vesting Criteria are scheduled to be satisfied on the same date), a pro-rata portion of such Tranche (i.e. based on the ratio of (x) the number of full or partial months worked by the Optionee from the Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule of the Tranche) will continue to vest and such Options together with any Options that are vested as of the Optionee's Early Retirement date shall remain outstanding and (once vested) may be exercised until the fifth anniversary of the Early Retirement date (or if earlier, the Expiration Date of the Option). If the Date of

Grant of the Option does not precede the Optionee's Early Retirement date by at least six (6) months, the post-termination exercise period with respect to such Option shall be governed by the other provisions of this Section 5, as applicable.

(f) Normal Retirement. In the event the Optionee's employment (or other active service-providing relationship) with the Company or an Eligible Subsidiary terminates by reason of the Optionee's Normal Retirement, and the Date of Grant of the Option precedes the Optionee's Normal Retirement date by at least six (6) months, the Optionee's unvested Options will continue to vest and such Options together with any Options that are vested as of the Optionee's Normal Retirement date shall remain outstanding and (once vested) may be exercised until the fifth anniversary of the Normal Retirement date (or if earlier, the Expiration Date of the Option). If the Date of Grant of the Option does not precede the Optionee's Normal Retirement date by at least six (6) months, the post-termination exercise period with respect to such Option shall be governed by the other provisions of this Section 5, as applicable.

(g) Gross Misconduct. If the Optionee's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Optionee's unexercised Options shall terminate and be forfeited immediately without consideration. The Optionee acknowledges and agrees that the Optionee's termination of employment shall also be deemed to be a termination of employment by reason of the Optionee's Gross Misconduct if, after the Optionee's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(h) Violation of Post Termination Covenant. To the extent that any of the Optionee's Options remain outstanding under the terms of the Plan or this Agreement after termination of the Optionee's employment or service-providing relationship, as applicable, with the Company or an Eligible Subsidiary, such Options shall nevertheless expire as of the date the Optionee violates any covenant not to compete or other post termination covenant that exists between the Optionee on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(i) Substantial Corporate Change. Upon a Substantial Corporate Change, the Optionee's outstanding Options will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the Options, or the substitution for such Options of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the Options will continue in the manner and under the terms so provided.

#### 6. Non-Transferability of Option; Term of Option.

(a) Unless the Committee determines otherwise in advance in writing, the Option may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee and/or by his or her duly appointed guardian. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Optionee.

(b) Notwithstanding any other term in this Agreement, the Option may be exercised only prior to the Expiration Date set out in the Grant Notice, and may be exercised during such term only in accordance with the Plan and the terms of this Agreement.

#### 7. Amendment of Option or Plan.

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Optionee with respect to the subject matter hereof. The Optionee expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or any Option in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Optionee's rights hereunder can be made only in an express written contract signed by the Company and the Optionee. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and the Optionee's rights under outstanding Options as it deems necessary or advisable, in its sole discretion and without the consent of the Optionee, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this award of Options.

(b) The Optionee acknowledges and agrees that if the Optionee changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion (1) reduce or eliminate the Optionee's unvested Options, and/or (2) extend any vesting schedule to one or more dates that occur on or before the Expiration Date.



## 8. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or any Subsidiary employing the Optionee (the “Employer”) takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other tax related-items (“Tax Related-Items”), the Optionee acknowledges that the ultimate liability for all Tax Related-Items associated with the Option is and remains the Optionee’s responsibility and may exceed the amount actually withheld by the Company and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related-Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee’s liability for Tax Related-Items. Further, if Optionee is subject to tax in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related-Items in more than one jurisdiction.

The Optionee shall, no later than the date as of which the value of an Option first becomes includible in the gross income of the Optionee for purposes of Tax Related-Items, pay to the Company and/or the Employer, or make arrangements satisfactory to the Administrator (in its sole discretion) regarding payment of, all Tax Related-Items required by applicable law to be withheld by the Company and/or the Employer with respect to the Option. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company and/or the Employer shall, to the extent permitted by applicable law, have the right to deduct any such Tax Related-Items from any payment of any kind otherwise due to the Optionee. The Company shall have the right to require the Optionee to remit to the Company an amount in cash sufficient to satisfy any applicable withholding requirements related thereto. With the approval of the Administrator, the Optionee may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or (ii) delivering already owned unrestricted Shares, in each case, having a value equal to the minimum amount of tax required to be withheld (or such other rate that will not cause adverse accounting consequences for the Company). Any such Shares shall be valued at their Fair Market Value on the date as of which the amount of Tax Related-Items to be withheld is determined. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to the Option. The Company may also use any other method or combination of methods of obtaining the necessary payment or proceeds, as permitted by applicable law, to satisfy its withholding obligation with respect to any Option.

Depending on the withholding method, the Company may withhold or account for Tax Related-Items by considering maximum applicable rates to the extent permitted by the Plan, in which case the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related-Items is satisfied by withholding in Shares, for tax purposes, the Optionee shall be deemed to have been issued the full member of Shares issued upon exercise of the Options notwithstanding that a member of the Shares are held back solely for the purpose of paying the Tax Related-Items.

(b) Code Section 409A. Payments made pursuant to the Plan and the Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in the Agreement, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or the Agreement to ensure that all Options granted to the Optionees who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the Options shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any Options granted thereunder. If the Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Optionee by Section 409A, and the Optionee shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

9. Rights as Shareholder. Until all requirements for exercise of the Option pursuant to the terms of this Agreement and the Plan have been satisfied, the Optionee shall not be deemed to be a shareholder or to have any of the rights of a shareholder with respect to any Shares.

10. No Employment Contract. Nothing in the Plan or this Agreement constitutes an employment contract between the Company and the Optionee and this Agreement shall not confer upon the Optionee any right to continuation of employment with the Company or any of its Eligible Subsidiaries, nor shall this Agreement interfere in any way with the Company’s or any of its Eligible Subsidiaries right to terminate the Optionee’s employment at any time, with or without cause (subject to any employment agreement the Optionee may otherwise have with the Company or an Eligible Subsidiary thereof and/or applicable law).

11. **Board Authority.** The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of this Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any Options have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether optionees are similarly situated.

12. **Headings.** The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the Option for construction and interpretation.

13. **Electronic Delivery.**

(a) If the Optionee executes this Agreement electronically, for the avoidance of doubt, the Optionee acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Optionee acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Optionee executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Optionee executes this Agreement multiple times (for example, if the Optionee first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Optionee acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single grant of Options relating to the number of Shares set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the Option, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Optionee pursuant to the Plan or under applicable law, including but not limited to, the Plan, this Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing this Agreement, the Optionee hereby consents to receive such documents by electronic delivery. At the Optionee's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Optionee.

14. **Data Privacy.** *The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants Options under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of Options under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the Option, the Optionee expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) **Data Collection, Processing and Usage.** *The Company collects, processes and uses the Optionee's personal data, including the Optionee's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Options or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Optionee's favor, which the Company receives from the Optionee or the Employer. In granting the Option under the Plan, the Company will collect the Optionee's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Optionee's personal data is the Optionee's consent.*

(b) **Stock Plan Administration Service Provider.** *The Company transfers the Optionee's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Optionee's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Optionee to receive and trade*

*Shares acquired under the Plan. The Optionee will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Optionee's ability to participate in the Plan.*

*(c) International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. The Optionee should note that the Optionee's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Optionee's personal data to the United States is the Optionee's consent.*

*(d) Voluntariness and Consequences of Consent Denial or Withdrawal. The Optionee's participation in the Plan and his or her grant of consent is purely voluntary. The Optionee may deny or withdraw his or her consent at any time. If the Optionee does not consent, or if the Optionee later withdraws his or her consent, the Optionee may be unable to participate in the Plan. This would not affect the Optionee's existing employment or salary; instead, the Optionee merely may forfeit the opportunities associated with the Plan.*

*(e) Data Subject Rights. The Optionee may have a number of rights under the data privacy laws in the Optionee's country of residence. For example, the Optionee's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Optionee's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Optionee's personal data. To receive clarification regarding the Optionee's rights or to exercise his or her rights, the Optionee should contact his or her local human resources department.*

15. Waiver of Right to Jury Trial. EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE OPTION OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

16. Agreement Severable. In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

17. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to this Option, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or any Option must be commenced by Optionee within twelve (12) months of the earliest date on which Optionee's claim first arises, or Optionee's cause of action accrues, or such claim will be deemed waived by Optionee.

18. Nature of Option. In accepting the Option, Optionee acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options, even if options have been granted repeatedly in the past;

(c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;

(d) the Optionee's participation in the Plan is voluntary;

(e) the Option, and the income and value of same, is an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Optionee's employment or service contract, if any;

(f) the Option, and the income and value of same, is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and

in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

(g) the Option and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation

(h) unless otherwise agreed with the Company, the Option, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Optionee may provide as a director of any Subsidiary;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) if the Shares do not increase in value, the Option will have no value;

(k) if the Optionee exercises the Option and obtains Shares, the value of the Shares obtained upon exercise may increase or decrease in value, even below the Exercise Price;

(l) in consideration of the award of the Option, no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option, or Shares purchased through the exercise of the Option, resulting from termination of the Optionee's employment or continuous service with the Company or any Subsidiary (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable labor laws of the jurisdiction where the Optionee is employed or the terms of the Optionee's employment agreement, if any), and in consideration of the grant of the Options, the Optionee agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing/electronically accepting this Agreement, Optionee shall be deemed to have irrevocably waived the Optionee's entitlement to pursue or seek remedy for any such claim; and

(m) neither the Company, the Employer nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. Dollar that may affect the value of the Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

19. Language. The Optionee acknowledges that he or she is proficient in the English language and understands the terms of this Agreement. If the Optionee has received the Plan, this Agreement, the Plan or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law.

20. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

21. Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Optionee or any other participant.

22. Insider Trading/Market Abuse Laws. By accepting the Options, the Optionee acknowledges that the Optionee is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Optionee further acknowledges that, depending on the Optionee's country, the Optionee may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Optionee's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares under the Plan during such times as the Optionee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Optionee placed before the Optionee possessed inside information. Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Optionee acknowledges that it is the Optionee's personal responsibility to comply with any applicable restrictions, and Optionee should speak to his or her personal advisor on this matter.

23. Legal and Tax Compliance: Cooperation. If the Optionee resides or is employed outside of the United States, the Optionee agrees, as a condition of the grant of the Options, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the Options) if required by and in accordance with local foreign exchange rules and regulations in the Optionee's

country of residence (and country of employment, if different). In addition, the Optionee also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different). Finally, the Optionee agrees to take any and all actions as may be required to comply with the Optionee's personal legal and tax obligations under local laws, rules and regulations in the Optionee's country of residence (and country of employment, if different).

24. **Private Offering.** The grant of the Options is not intended to be a public offering of securities in the Optionee's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the Options (unless otherwise required under local law). **No employee of the Company is permitted to advise the Optionee on whether the Optionee should purchase Shares under the Plan or provide the Optionee with any legal, tax or financial advice with respect to the grant of the Options. Investment in Shares involves a degree of risk. Before deciding to purchase Shares pursuant to the Options, the Optionee should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Optionee should carefully review all of the materials related to the Options and the Plan, and the Optionee should consult with the Optionee's personal legal, tax and financial advisors for professional advice in relation to the Optionee's personal circumstances.**

25. **Foreign Asset/Account Reporting and Exchange Controls.** The Optionee's country may have certain exchange control and/or foreign asset/account reporting requirements which may affect the Optionee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on Shares or sale proceeds resulting from the sale of Shares) in a brokerage or bank account outside the Optionee's country. The Optionee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Optionee may be required to repatriate sale proceeds or other funds received as a result of the Optionee's participation in the Plan to the Optionee's country through a designated bank or broker within a certain time after receipt. The Optionee acknowledges that it is his or her responsibility to comply with any applicable regulations, and that the Optionee should speak to his or her personal advisor on this matter.

26. **Addendum A.** Notwithstanding any provisions of this Agreement, the Option and any Shares acquired under the Plan shall be subject to any special terms and conditions for the Optionee's country of employment and country of residence, if different, as set forth in any of the Addendums. Moreover, if the Optionee relocates to one of the countries included in any of the Addendums, the special terms and conditions for such country will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the Option (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Optionee's transfer). The Addendums constitute part of the Agreement.

27. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in adverse accounting expense to the Company, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

28. **Recoupment.** The Options granted pursuant to this Agreement are subject to the terms of the Danaher Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto) (the "Policy") and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Optionee expressly and explicitly authorizes the Company to issue instructions, on the Optionee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Optionee's Shares and other amounts acquired pursuant to the Optionee's Options, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

29. **Notices.** The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Optionee regarding certain events relating to awards that the Optionee may have received or may in the future receive under the Plan, such as notices reminding the Optionee of the vesting or expiration date of certain awards. The Optionee acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Optionee the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Optionee has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan

administrator based on any allegations of, damages or harm suffered by the Optionee as a result of the Company's failure to provide any such notices or the Optionee's failure to receive any such notices. The Optionee further agrees to notify the Company upon any change in his or her residence address.

30. **Limitations on Liability.** Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Optionee or the Optionee's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any Option.

31. **Consent and Agreement With Respect to Plan.** The Optionee (a) acknowledges that the Plan and the prospectus relating thereto are available to the Optionee on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts this Option subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2007 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Optionee that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

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[If the Agreement is signed in paper form, complete and execute the following:]

**OPTIONEE**

**DANAHER CORPORATION**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Residence Address*

**Declaration of Data Privacy Consent.** By providing the additional signature below, the undersigned explicitly declares his or her consent to the data processing operations described in Section 14 of this Agreement. This includes, without limitation, the transfer of the Optionee's personal data to, and the processing of such data by, the Company, the Employer or, as the case may be, the Stock Plan Administrator in the United States. The undersigned may withdraw his or her consent at any time, with future effect and for any or no reason as described in Section 14 of this Agreement.

**OPTIONEE**

*Signature*

\_\_\_\_\_

## ADDENDUM A

This Addendum includes special terms and conditions that govern the Option granted to the Optionee if the Optionee resides and/or works in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Grant Notice, the Agreement or the Plan.

This Addendum also includes information regarding securities, exchange control, tax and certain other issues of which the Optionee should be aware with respect to the Optionee's participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect as of November 2018. Such laws are often complex and change frequently. As a result, the Company recommends that the Optionee not rely on the information contained herein as the only source of information relating to the consequences of the Optionee's participation in the Plan because the information may be out of date at the time the Optionee exercises the Option or sells Shares acquired under the Plan.

In addition, this Addendum is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. **Accordingly, the Optionee should to seek appropriate professional advice as to how the relevant laws in the Optionee's country apply to the Optionee's specific situation.**

*If the Optionee is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Optionee is currently working and/or residing, or if the Optionee transfers employment and/or residency to another country after the grant of the Option, the information contained herein may not be applicable to the Optionee in the same manner.*

### EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA")

#### **Data Privacy**

If the Optionee resides and/or is employed in the EU / EEA, the following provision replaces Section 14 of the Agreement:

*The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants Options under the Plan to employees of the Company and its Subsidiaries in its sole discretion. The Optionee should review the following information about the Company's data processing practices.*

*(a) **Data Collection, Processing and Usage.** Pursuant to applicable data protection laws, the Optionee is hereby notified that the Company collects, processes, and uses certain personally-identifiable information about the Optionee; specifically, including the Optionee's name, home address, email address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Options or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Optionee's favor, which the Company receives from the Optionee or the Employer. In granting the Options under the Plan, the Company will collect the Optionee's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company collects, processes and uses the Optionee's personal data pursuant to the Company's legitimate interest of managing the Plan and generally administering employee equity awards and to satisfy its contractual obligations under the terms of this Agreement. The Optionee's refusal to provide personal data may affect the Optionee's ability to participate in the Plan. As such, by participating in the Plan, the Optionee voluntarily acknowledges the collection, processing and use, of the Optionee's personal data as described herein.*

*(b) **Stock Plan Administration Service Provider.** The Company transfers participant data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Optionee's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Optionee to receive and trade Shares acquired under the Plan. The Optionee will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Optionee's ability to participate in the Plan.*

*(c) **International Data Transfers.** The Company and the Stock Plan Administrator are based in the United States. The Company can only meet its contractual obligations to the Optionee if the Optionee's personal data is transferred to the United States. The Company's legal basis for the transfer of the Optionee's personal data to the United States is to satisfy its contractual obligations under the terms of this Agreement and/or its use of the standard data protection clauses adopted by the EU Commission.*

*(d) **Data Retention.** The Company will use the Optionee's personal data only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Optionee's personal data, the Company will remove it from its systems. If the Company keeps the Optionee's data longer, it would be to*



satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) **Data Subjects Rights.** The Optionee may have a number of rights under data privacy laws in the Optionee's country of residence. For example, the Optionee's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Optionee's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Optionee's personal data. To receive clarification regarding the Optionee's rights or to exercise his or her rights, the Optionee should contact his or her local human resources department.

## **ARGENTINA**

### **Labor Law Acknowledgement**

This provision supplements Section 18 of the Agreement:

In accepting the Option, the Optionee acknowledges and agrees that the grant of the Options is made by the Company (not the Employer) in its sole discretion and that the value of the Options or any Shares acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits including, without limitation, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, the Optionee acknowledges and agrees that such benefits shall not accrue more frequently than on the relevant Exercise Date(s).

### **Securities Law Notice**

The Optionee understands that neither the grant of the Option nor the purchase of Shares constitute a public offering as defined by the Law N° 17,811, or any other Argentine law. The offering of the Option is a private placement and the underlying Shares are not listed on any stock exchange in Argentina. As such, the offering is not subject to the supervision of any Argentine governmental authority.

### **Foreign Asset/Account Reporting Information**

If the Optionee holds Shares as of December 31 of any year, the Optionee is required to report the holding of the Shares on his or her personal tax return for the relevant year.

## **AUSTRALIA**

### **Australian Offer Document**

The Optionee understands that the offering of the Plan in Australia is intended to qualify for exemption from the prospectus requirements under Class Order 14/1000 issued by the Australian Securities and Investments Commission. Participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document, (which is attached hereto as Addendum B), the Plan and this Agreement provided to the Optionee.

### **Options Conditioned on Satisfaction of Regulatory Obligations**

If the Optionee is (a) a director of a Subsidiary incorporated in Australia, or (b) a person who is a management-level executive of a Subsidiary incorporated in Australia and who also is a director of a Subsidiary incorporated outside of Australia, the grant of the Option is conditioned upon satisfaction of the shareholder approval provisions of section 200B of the Corporations Act 2001 (Cth) in Australia.

### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Australia. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

### **Securities Law Notice**

If the Optionee acquires Shares under the Plan and subsequently offer the Shares for sale to a person or entity resident in Australia, such offer may be subject to disclosure requirements under Australian law, and the Optionee should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

#### **Exchange Control Notice**

Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers of any amount. The Australian bank assisting with the transaction will file the report for the Optionee. If there is no Australian bank involved in the transfer, the Optionee will be responsible for filing the report.

#### **Tax Information**

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

#### **AUSTRIA**

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Austria. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Optionee's attainment of the statutory retirement age in Austria. In the absence of a statutory retirement age, "Normal Retirement" shall mean attainment of the customary age for retirement in Austria.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Austria, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

##### **Exchange Control Notice**

If the Optionee holds Shares acquired under the Plan outside of Austria, the Optionee must submit a report to the Austrian National Bank as follows: (i) on a quarterly basis if the value of the Shares as of any given quarter meets or exceeds €30,000,000; the deadline for filing the quarterly report is the 15th day of the month following the end of the respective quarter and (ii) on an annual basis if the value of the Shares as of December 31 meets or exceeds €5,000,000; the deadline for filing the annual report is January 31 of the following year.

When the Optionee sells Shares acquired under the Plan or receives a dividend payment, the Optionee may be required to comply with certain exchange control obligations if the cash proceeds are held outside of Austria. If the transaction volume of all accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

#### **BELGIUM**

##### **Terms and Conditions**

Options granted to the Optionee in Belgium shall not be accepted by the Optionee earlier than the 61<sup>st</sup> day following the Offer Date. The Offer Date is the date on which the Company notifies the Optionee of the material terms and conditions of the Option grant. Any acceptance given by the Optionee before the 61<sup>st</sup> day following the grant date shall be null and void.

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Belgium. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such

Optionee's attainment of the statutory retirement age in Belgium. In the absence of a statutory retirement age, "Normal Retirement" shall mean attainment of the customary age for retirement in Belgium.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Belgium, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Foreign Asset/Account Reporting Information**

The Optionee is required to report any securities (e.g., Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside Belgium on his or her annual tax return. The Optionee will also be required to provide the National Bank of Belgium with details regarding any such account (including the account number, the name of the bank in which such account is held and the country in which such account is located). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, [www.nbb.be](http://www.nbb.be), under *Kredietcentrales / Centrales des crédits* caption.

#### **Stock Exchange Tax Information**

A stock exchange tax applies to transactions executed by a Belgian resident through a non-Belgian financial intermediary, such as a U.S. broker. The stock exchange tax will apply when Shares acquired pursuant to the Option are sold. The Optionee should consult with a personal tax or financial advisor for additional details on the Optionee's obligations with respect to the stock exchange tax.

#### **Brokerage Account Tax Information**

Belgian residents are subject to a brokerage account tax if the average annual value of securities (including Shares acquired under the Plan) held by such resident in a brokerage account exceeds certain thresholds. As the calculation of this tax is complex, the Optionee should consult with the Optionee's personal tax or financial advisor for details on the applicability of this tax.

### **BRAZIL**

#### **Labor Law Policy and Acknowledgment**

This provision supplements Section 18 of the Agreement:

By accepting the Option, the Optionee agrees that he or she is (i) making an investment decision, (ii) that the Option will be exercisable by the Optionee only if the Vesting Conditions are met and any necessary services are rendered by the Optionee during the vesting period set forth in the Vesting Schedule, and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Optionee.

#### **Compliance with Law**

By accepting the Option, the Optionee acknowledges that he or she agrees to comply with applicable Brazilian laws and pay any and all applicable taxes associated with the exercise of the Option, the receipt of any dividends, and the sale of Shares acquired under the Plan.

#### **Foreign Asset/Account Reporting Information**

If the Optionee is a resident or domiciled in Brazil, the Optionee may be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil. If the aggregate value of such assets and rights is equal to or greater than US\$100,000 but less than US\$100,000,000, a declaration must be submitted annually. If the aggregate value exceeds US\$100,000,000, a declaration must be submitted quarterly.

### **CANADA**

#### **Method of Payment and Tax Obligations**

This provision supplements Sections 4 and 8(a) of the Agreement:

Notwithstanding any discretion in the Plan or in this Agreement, without the Company's consent, the Optionee is not permitted to pay the Exercise Price by the method set forth in Section 4(c), nor is the Optionee permitted to pay for any Tax Related-Items

by the delivery of (i) unencumbered Shares, or (ii) withholding in Shares otherwise issuable to the Optionee upon exercise, as set forth in Section 8(a).

*The following two provisions apply if the Optionee is a resident of Quebec:*

#### **Consent to Receive Information in English**

The parties acknowledge that it is their express wish that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais du présent Contrat, ainsi que de tous documents exécutés, avis donnés ou procédures judiciaires intentées, en vertu du, ou liés directement ou indirectement, au présent Contrat.*

#### **Data Privacy**

The provision supplements Section 14 of the Agreement:

The Optionee hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Optionee's awards under the Plan. The Optionee further authorizes the Company, its Subsidiaries, and the Stock Plan Administrator, to disclose and discuss the Optionee's participation in the Plan with their respective advisors. The Optionee further authorizes the Company and its Subsidiaries to record such information and to keep such information in his or her employee file.

#### **Securities Law Notice**

The Optionee is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

#### **Foreign Asset/Account Reporting Information**

Foreign property, including Options, Shares acquired under the Plan, and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, Options must be reported – generally at a nil cost – if the C\$100,000 cost threshold is exceeded because the Optionee holds other foreign property. When Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if the Optionee owns other shares of the Company, this ACB may need to be averaged with the ACB of the other shares. The Optionee should consult his or her personal legal advisor to ensure compliance with applicable reporting obligations.

#### **CHILE**

#### **Securities Law Notice**

The grant of the Options hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Date of Grant (as defined in the Agreement), and this offer conforms to General Ruling No. 336 of the Chilean Commission of the Financial Market ("CMF");
  - b) The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the CMF, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the CMF; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Grant Date", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile ("CMF");*

b) *La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta;*

c) *Por tratar de valores no inscritos en la CMF no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*

d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

#### **Exchange Control Notice**

If the Optionee pays the Exercise Price in cash or check and remits funds in excess of US\$10,000 out of Chile, the remittance must be made through the Formal Exchange Market (“FEM,” *i.e.*, a commercial bank or registered foreign exchange office). In such case, the Optionee must provide certain information regarding the transaction (e.g., amount, currency and destination of funds, as well as the parties involved) to the bank or registered foreign exchange office used in the remittance on a prescribed form. The bank or registered foreign exchange office will submit the form to the Central Bank to notify the Central Bank of the transaction.

If the Optionee exercises the Option using a cashless exercise method implemented by the Company in connection with the Plan, and the aggregate Exercise Price exceeds US\$10,000, the Optionee must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first ten (10) days of the month following the Exercise Date.

The Optionee is not required to repatriate proceeds obtained from the sale of Shares or from dividends to Chile; however, if the Optionee decides to repatriate proceeds from the sale of Shares and/or dividends and the amount of the proceeds to be repatriated exceeds U.S. \$10,000, the Optionee acknowledges that he or she must effect such repatriation through the Formal Exchange Market. However, if the Optionee does not repatriate the funds and uses such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, the Optionee must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank of Chile within the first ten (10) days of the month immediately following the transaction.

If the Optionee’s aggregate investments held outside of Chile exceed US\$5,000,000 (including the value of the Shares acquired under the Plan), the Optionee must report the status of such investments annually to the Central Bank, using Annex 3.1 of Chapter XII of the Foreign Exchange Regulations.

Please note that exchange control regulations in Chile are subject to change. The Optionee should consult with his or her personal legal advisor regarding any exchange control obligations that the Optionee may have prior to the exercise of the Option.

#### **Foreign Asset/Account Reporting Information**

The Chilean Internal Revenue Service (“CIRS”) requires all taxpayers to provide information annually regarding (i) the results of investments held abroad; and (ii) the taxes paid abroad which the taxpayers will use as credit against Chilean income tax. To comply with these annual reporting obligations the Optionee must submit a sworn statements setting forth the required information before June 30 of each year, depending on the assets and/or taxes being reported. The forms to be use to submit the sworn statement are Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad” and Tax Form 1851 “Annual Sworn Statement Regarding Investments Held Abroad.” If the Optionee is not a Chilean citizen and has been a resident in Chile for less than three (3) years, the Optionee will be exempt from the requirements to file Tax Form 1853. These statements must be submitted electronically through the CIRS website at [www.sii.cl](http://www.sii.cl).

#### **CHINA**

##### **Exchange Control Restrictions Applicable to Optionees who are PRC Nationals**

If the Optionee is a local national of the People’s Republic of China (“PRC”), the Optionee understands that, except as otherwise provided herein, his or her Options can be exercised only by means of the cashless sell-all method, under which all Shares underlying the Options are immediately sold upon exercise.

In addition, the Optionee understands and agrees that, pursuant to local exchange control requirements, the Optionee is required to repatriate the cash proceeds from the cashless sell-all method of exercise of the Options, (*i.e.*, the sale proceeds less the Exercise Price and any administrative fees). The Optionee agrees that the Company is authorized to instruct its designated broker to assist with the immediate sale of such Shares (on the Optionee’s behalf pursuant to this authorization), and the

Optionee expressly authorizes such broker to complete the sale of such Shares. The Optionee acknowledges that the Company's broker is under no obligation to arrange for the sale of Shares at any particular price. The Company reserves the right to provide additional methods of exercise depending on the development of local law.

In addition, the Optionee understands and agrees that the cash proceeds from the exercise of his or her Options, (i.e., the proceeds of the sale of the Shares underlying the Options, less the Exercise Price and any administrative fees) will be repatriated to China. The Optionee further understands that, under local law, such repatriation of the cash proceeds may be effectuated through a special foreign exchange control account to be approved by the local foreign exchange administration, and the Optionee hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan, net of the Exercise Price and administrative fees, may be transferred to such special account prior to being delivered to the Optionee. The proceeds, net of Tax Related-Items, may be paid to the Optionee in U.S. Dollars or local currency at the Company's discretion. In the event the proceeds are paid to the Optionee in U.S. Dollars, the Optionee understands that he or she will be required to set up a U.S. Dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account. In addition, the Optionee understands and agrees that the Optionee will be responsible for converting the proceeds into Renminbi Yuan at the Optionee's expense.

If the proceeds are paid to the Optionee in local currency, the Optionee agrees to bear any currency fluctuation risk between the time Shares are sold and the time the sale proceeds are distributed through any such special exchange account.

#### **Method of Exercise**

The Optionee acknowledges that due to regulatory requirements, and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, Optionees residing in mainland China will be restricted to the cashless sell-all method of exercise with respect to their Options. To complete a cashless sell-all exercise, the Optionee understands that the Optionee needs to instruct the broker to: (i) sell all of the purchased Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax Related-Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment deemed appropriate by the Company.

#### **Exchange Control Notice Applicable to Optionees in the PRC**

If the Optionee is a local national of the PRC, the Optionee understands that exchange control restrictions may limit the Optionee's ability to access and/or convert funds received under the Plan, particularly if these amounts exceed US\$50,000. The Optionee should confirm the procedures and requirements for withdrawals and conversions of foreign currency with his or her local bank prior to the Option exercise.

The Optionee agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the Peoples' Republic of China.

#### **Foreign Asset/Account Reporting Information**

PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. The Optionee may be subject to reporting obligations for the Shares or awards acquired under the Plan and Plan-related transactions. It is the Optionee's responsibility to comply with this reporting obligation and the Optionee should consult his/her personal tax advisor in this regard.

#### **COLOMBIA**

##### **Labor Law Acknowledgement**

The following provision supplements Section 18 of the Agreement:

The Optionee acknowledges that pursuant to Article 15 of Law 50/1990 (Article 128 of the Colombian Labor Code), the Plan, the Option, the underlying Shares, and any other amounts or payments granted or realized from participation in the Plan do not constitute a component of the Optionee's "salary" for any purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions or any other labor-related amount which may be payable.

##### **Securities Law Notice**

The Shares are not and will not be registered with the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*), and therefore, the Shares cannot be offered to the public in Colombia. Nothing in the Agreement shall be construed as making a public offer of securities, or the promotion of financial products in Colombia.

#### **Exchange Control Notice**

Foreign investments must be registered with the Central Bank of Colombia (*Banco de la República*). Upon the subsequent sale or other disposition of investments held abroad, the registration with the Central Bank must be canceled, the proceeds from the sale or other disposition of the Shares must be repatriated to Colombia and the appropriate Central Bank form must be filed (usually with the Optionee's local bank). The Optionee acknowledges that he or she personally is responsible for complying with Colombian exchange control requirements.

#### **Foreign Asset/Account Reporting Information**

An annual informative return must be filed with the Colombian Tax Office detailing any assets held abroad (including the Shares acquired under the Plan). If the individual value of any of these assets exceeds a certain threshold, each asset must be described (*e.g.*, its nature and its value) and the jurisdiction in which it is located must be disclosed. The Optionee acknowledges that he or she personally is responsible for complying with this tax reporting requirement.

#### **CROATIA**

##### **Exchange Control Notice**

The Optionee must report any financial investments (including Shares acquired under the Plan) to the Croatian National Bank for statistical purposes. However, because exchange control regulations may change without notice, the Optionee should consult with his or her legal advisor to ensure compliance with current regulations. The Optionee acknowledges that he or she personally is responsible for complying with Croatian exchange control laws.

#### **CZECH REPUBLIC**

##### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in the Czech Republic. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

##### **Exchange Control Notice**

Upon request of the Czech National Bank (the "CNB"), the Optionee may need to report the following to the CNB: foreign direct investments, financial credits from abroad, investment in foreign securities and associated collection and payments (Shares and proceeds from the sale of Shares may be included in this reporting requirement). Even in the absence of a request from the CNB, the Optionee may need to report foreign direct investments with a value of CZK 2,500,000 or more in the aggregate and/or other foreign financial assets with a value of CZK 200,000,000 or more.

Because exchange control regulations change frequently and without notice, the Optionee should consult his or her personal legal advisor prior to the exercise of the Option and the subsequent sale of Shares to ensure compliance with current regulations. It is the Optionee's responsibility to comply with Czech exchange control laws, and neither the Company nor any Subsidiary will be liable for any resulting fines or penalties.

#### **DENMARK**

##### **Danish Stock Option Act**

Notwithstanding anything in this Agreement to the contrary, the treatment of the Option upon the Optionee's termination of employment with the Company or an Eligible Subsidiary, as applicable, shall be governed by the Danish Stock Option Act, as in effect at the time of the Optionee's termination (as determined by the Committee in its discretion in consultation with legal counsel). By accepting the Option, the Optionee acknowledges that he or she has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Denmark. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in Denmark. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Denmark.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Denmark, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Foreign Asset/Account Reporting Information**

The establishment of an account holding Shares or an account holding cash outside Denmark must be reported to the Danish Tax Administration. The form which should be used in this respect may be obtained from a local bank. (Please note that these obligations are separate from and in addition to the securities/tax reporting obligations described below.)

#### **Securities/Tax Reporting Notice**

If the Optionee holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, the Optionee is required to inform the Danish Tax Administration about the account. For this purpose, the Optionee must file a Form V (Erklaering V) with the Danish Tax Administration. Both the Optionee and the bank/broker must sign the Form V. By signing the Declaration V, the bank/broker undertakes an obligation, without further request each year and not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Optionee acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage account and Shares deposited therein to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form V, the Optionee authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: [www.skat.dk](http://www.skat.dk).

In addition, if the Optionee opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, the Optionee is also required to inform the Danish Tax Administration about this account. To do so, the Optionee must also file a Form K (Erklaering K) with the Danish Tax Administration. The Form K must be signed both by the Optionee and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Optionee acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Optionee’s annual income tax return. By signing the Form K, the Optionee authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: [www.skat.dk](http://www.skat.dk).

#### **FINLAND**

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Finland. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in Finland. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Finland.



Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Finland, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

## **FRANCE**

### **Type of Grant**

The Option is granted as a French-Qualified Option and is intended to qualify for the special tax and social security treatment in France under Section L. 225-177 to L. 225-186-1 of the French Commercial Code, as amended. The French-Qualified Option is granted subject to the terms and conditions of the French Sub-Plan to the Plan (the "French Sub-Plan").

Certain events may affect the status of the Option as a French-Qualified Option or the underlying Shares, and the French-Qualified Option or the underlying Shares may be disqualified in the future. The Company does not make any undertaking or representation to maintain the qualified status of the French-Qualified Option or of the underlying Shares.

### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in France. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Optionee's attainment of the statutory retirement age in France. In the absence of a statutory retirement age, "Normal Retirement" shall mean attainment of the customary age for retirement in France.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than France, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

### **Consent to Receive Information in English**

By accepting the Option, the Optionee confirms having read and understood the Plan, the Notice of Grant, the Agreement and this Addendum A, including all terms and conditions included therein, which were provided in the English language. The Optionee accepts the terms of those documents accordingly.

### ***Consentement afin de Recevoir des Informations en Anglais***

*En acceptant les Options d'Achat d'Actions, le Bénéficiaire confirme avoir lu et compris le Plan, la Notification d'Attribution, le Contrat et la présente Annexe A, en ce compris tous les termes et conditions y relatifs, qui ont été fournis en langue anglaise. Le Bénéficiaire accepte les dispositions de ces documents en connaissance de cause.*

### **Foreign Asset/Account Reporting Information**

The Optionee may hold any Shares acquired under the Plan, any sales proceeds resulting from the sale of Shares or any dividends paid on such Shares outside of France, provided the Optionee declares all foreign accounts, whether open, current, or closed, in his or her income tax return. Failure to complete this reporting triggers penalties for the resident. Further, French residents with foreign account balances exceeding prescribed amounts may have additional monthly reporting obligations.

## **GERMANY**

### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Germany. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

### **Exchange Control Notice**

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (Bundesbank). In case of payments in connection with securities (including proceeds realized upon the sale of Shares or the receipt of dividends), the

report must be made by the 5th day of the month following the month in which the payment was received. The form must be filed electronically and the form of report ("Allgemeine Meldeportal Statistik") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English. The Optionee acknowledges that he or she personally is responsible for complying with applicable reporting requirements.

## **HONG KONG**

### **Sale Restriction**

Shares received at exercise are accepted as a personal investment. If, for any reason, the Option vests and becomes exercisable and the Option is exercised and Shares are issued to the Optionee (or the Optionee's heirs) within six (6) months of the Date of Grant, the Optionee (or the Optionee's heirs) agrees that he or she will not dispose of any such Shares prior to the six (6)-month anniversary of the Date of Grant.

### **Securities Law Notice**

*WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Optionee is advised to exercise caution in relation to the offer. If the Optionee is in any doubt about any of the contents of this document, the Optionee should obtain independent professional advice. Neither the offer of Options nor the issuance of Shares upon exercise of the Options constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Subsidiaries. The Agreement, including this Addendum A, the Plan and other incidental communication materials distributed in connection with the Options (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Subsidiaries and may not be distributed to any other person.*

### **Nature of Scheme**

The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

## **HUNGARY**

### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Hungary. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

## **INDIA**

### **Method of Exercise**

The Optionee acknowledges that due to regulatory requirements, and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, if the Optionee resides in India, the Optionee will be restricted to the cashless sell-all method of exercise with respect to their Options. To complete a cashless sell-all exercise, the Optionee understands that the Optionee needs to instruct the broker to: (i) sell all of the purchased Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax Related-Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment deemed appropriate by the Company.

### **Exchange Control Notice**

The Optionee must repatriate any proceeds from the sale of Shares and any cash dividends acquired under the Plan to India and convert the proceeds into local currency within a certain period of the receipt (90 days for sale proceeds and 180 days for dividend payments, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency). The Optionee will receive a foreign inward remittance certificate ("FIRC") from the bank where the Optionee deposits the foreign currency. The Optionee should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

It is the Optionee's responsibility to comply with exchange control laws in India, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Optionee's failure to comply with applicable local laws.

#### **Foreign Asset/Account Reporting Information**

The Optionee is required to declare foreign bank accounts and any foreign financial assets (including Shares held outside India) in his or her annual tax return. It is the Optionee's responsibility to comply with this reporting obligation and the Optionee should consult with his or her personal tax advisor in this regard as significant penalties may apply in the case of non-compliance.

#### **INDONESIA**

##### **Language Consent**

A translation of the documents relating to this grant into Bahasa Indonesia can be provided to Participant upon request to Danaher's Corporate Compensation department. By accepting the Option, the Optionee (i) confirms having read and understood the documents relating to the Options (*i.e.*, the Plan and the Agreement) which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

##### **Persetujuan Bahasa**

*Terjemahan dari dokumen-dokumen terkait dengan pemberian ini ke Bahasa Indonesia dapat disediakan untuk Peserta berdasarkan permintaan kepada Danaher's Corporate Compensation department. Dengan menerima Pemberian, Peserta (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan Pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).*

##### **Exchange Control Notice**

Indonesian residents must provide Bank Indonesia with information on foreign exchange activities (e.g., remittance of proceeds from the sale of Shares into Indonesia) via a monthly report submitted online through Bank Indonesia's website. The report is due no later than the 15th day of the month following the month in which the activity occurred.

In addition, when proceeds from the sale of Shares are remitted into Indonesia, a statistical reporting requirement will apply and the Indonesian bank executing the transaction may request information from the Optionee and the Optionee will be obliged to provide such information so that the bank can fulfill this reporting requirement to Bank Indonesia.

#### **IRELAND**

##### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Ireland. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

#### **ISRAEL**

##### **Trust Arrangement**

The Optionee understands and agrees that the Options awarded under the Agreement are awarded subject to and in accordance with the terms and conditions of the Plan, the Sub-Plan for Israel (the "Sub-Plan"), the Trust Agreement (the "Trust Agreement") between the Company and the Company's trustee appointed by the Company or its Subsidiary in Israel (the "Trustee"), or any successor trustee. In the event of any inconsistencies between the Sub-Plan, the Agreement and/or the Plan, the Sub-Plan will govern.

## **Type of Grant**

The Options are intended to qualify for favorable tax treatment in Israel as a "102 Capital Gains Track Grant" (as defined in the Sub-Plan) subject to the terms and conditions of "Section 102" (as defined in the Sub-Plan) and the rules promulgated thereunder. Notwithstanding the foregoing, by accepting the Options, the Optionee acknowledges that the Company cannot guarantee or represent that the favorable tax treatment under Section 102 will apply to the Options.

By accepting the Options, the Optionee: (a) acknowledges receipt of and represents that the Optionee has read and is familiar with the terms and provisions of Section 102, the Plan, the Sub-Plan, the Trust Agreement and the Agreement; (b) accepts the Options subject to all of the terms and conditions of the Agreement, the Plan, the Sub-Plan, the Trust Agreement and Section 102 and the rules promulgated thereunder; and (c) agrees that the Options and/or any Shares issued in connection therewith, will be registered for the benefit of the Optionee in the name of the Trustee as required to qualify under Section 102.

The Optionee hereby undertakes to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation to the Plan, or any Options or the Shares granted thereunder. The Optionee agrees to execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 and the Income Tax Ordinance (New Version) – 1961 ("ITO").

## **Electronic Delivery**

The following provision supplements Section 13 of the Agreement.

To the extent required pursuant to Israeli tax law and/or by the Trustee, the Optionee consents and agrees to deliver hard-copy written notices and/or actual copies of any notices or confirmations provided by the Optionee related to his or her participation in the Plan.

## **Data Privacy**

The following provision supplements Section 14 of the Agreement:

Without derogating from the scope of Section 14 of the Agreement, the Optionee hereby explicitly consents to the transfer of Data between the Company, the Trustee, and/or a designated Plan broker, including any requisite transfer of such Data outside of the Optionee's country and further transfers thereafter as may be required to a broker or other third party.

## **Securities Law Information**

This grant does not constitute a public offering under the Securities Law, 1968.

## **ITALY**

### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Italy. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Optionee's attainment of the statutory retirement age in Italy. In the absence of a statutory retirement age, "Normal Retirement" shall mean attainment of the customary age for retirement in Italy.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Italy, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

### **Plan Document Acknowledgement**

In accepting the Option, the Optionee acknowledges that he or she has received a copy of the Plan and the Agreement and has reviewed the Plan and the Agreement, (including this Addendum A), in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, (including this Addendum A).

The Optionee further acknowledges that he or she has read and specifically and expressly approves the following paragraphs of the Agreement: Section 8: Tax Obligations; Section 17: Governing Law and Venue; Section 18: Nature of Option; Section 26: Addendum A; Section 27: Imposition of Other Requirements; Section 28: Recoupment; and the Data Privacy section above.

#### **Method of Exercise**

The Optionee acknowledges that due to regulatory requirements, and notwithstanding any terms or conditions of the Plan or the Agreement to the contrary, if the Optionee resides in Italy, the Optionee will be restricted to the cashless sell-all method of exercise with respect to their Options. To complete a cashless sell-all exercise, the Optionee understands that the Optionee needs to instruct the broker to: (i) sell all of the purchased Shares issued upon exercise; (ii) use the proceeds to pay the Exercise Price, brokerage fees and any applicable Tax Related-Items; and (iii) remit the balance in cash to the Optionee. In the event of changes in regulatory requirements, the Company reserves the right to eliminate the cashless sell-all method of exercise requirement and, in its sole discretion, to permit cash exercises, cashless sell-to-cover exercises or any other method of exercise and payment deemed appropriate by the Company.

#### **Foreign Asset/Account Reporting Information**

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

#### **JAPAN**

##### **Exchange Control Notice**

If the Optionee acquires Shares valued at more than ¥100,000,000 in a single transaction, the Optionee must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days of the purchase of the Shares.

In addition, if the Optionee pays more than ¥30,000,000 in a single transaction for the purchase of Shares when the Optionee exercises the Option, the Optionee must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day of the month following the month in which the payment was made. The precise reporting requirements vary depending on whether or not the relevant payment is made through a bank in Japan.

A Payment Report is required independently from a Securities Acquisition Report. Therefore, if the total amount that the Optionee pays upon a one-time transaction for exercising the Option and purchasing Shares exceeds ¥100,000,000, then the Optionee must file both a Payment Report and a Securities Acquisition Report.

##### **Foreign Asset/Account Reporting Information**

The Optionee will be required to report details of any assets held outside of Japan as of December 31st (including any Shares acquired under the Plan) to the extent such assets have a total net fair market value exceeding ¥50,000,000. Such report will be due by March 15th each year. The Optionee should consult with his or her personal tax advisor as to whether the reporting obligation applies to the Optionee and whether the Optionee will be required to include details of any outstanding Option or Shares held by the Optionee in the report.

#### **KAZAKHSTAN**

None.

#### **KOREA**

##### **Exchange Control Notice**

If the Optionee realizes US\$500,000 or more from the sale of Shares or the receipt of any dividends with respect to options granted prior to July 18, 2017, Korean exchange control laws may require the Optionee to repatriate the proceeds back to Korea within three (3) years of the sale/receipt.

##### **Foreign Asset/Account Reporting Information**

Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) based in foreign countries that have not entered into an "inter-governmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds a certain

threshold. The Optionee should consult with the Optionee's personal tax advisor for additional information about this reporting obligation, including whether or not there is an applicable inter-governmental agreement between Korea and the U.S. (or any other country where the Optionee may hold any Shares or cash acquired in connection with the Plan).

## **LUXEMBOURG**

### **Termination**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to the Optionee if, as of the Date of Grant, the Optionee is on permanent, non-temporary assignment in Luxembourg. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean the Optionee's attainment of the statutory retirement age in Luxembourg. In the absence of a statutory retirement age, "Normal Retirement" shall mean attainment of the customary age for retirement in Luxembourg.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant the Optionee works in a jurisdiction other than Luxembourg, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply the retirement provisions of this Agreement that are applicable in such other jurisdiction.

## **MEXICO**

### **Labor Law Acknowledgement**

This provision supplements Section 18 of the Agreement.

By accepting the Options, the Optionee acknowledges that he or she understands and agrees that: (i) the Option is not related to the salary and other contractual benefits granted to the Optionee by the Employer; and (ii) any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of employment.

### **Policy Statement**

The grant of the Option the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America, is solely responsible for the administration of the Plan. Participation in the Plan and, the acquisition of Shares under the Plan does not, in any way establish an employment relationship between the Optionee and the Company since the Optionee is participating in the Plan on a wholly commercial basis and the Optionee's sole employer is the Subsidiary employing the Optionee, as applicable, nor does it establish any rights between the Optionee and the Employer.

### **Plan Document Acknowledgment**

By participating in the Plan, the Optionee acknowledges that he or she has received copies of the Plan and the Agreement, has reviewed the Plan and the Agreement in their entirety and fully understands and accept all provisions of the Plan and the Agreement.

In addition, by participating in the Plan, the Optionee further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in Section 18 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and its Subsidiaries are not responsible for any decrease in the value of the Shares underlying the Option.

Finally, the Optionee hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grants a full and broad release to the Employer and the Company and its Subsidiaries with respect to any claim that may arise under the Plan.

### **Spanish Translation**

#### ***Reconocimiento de la Ley Laboral***

*Esta disposición complementan la sección 18 de Acuerdo:*

*Al Aceptar la Opción, la persona que recibe la opción manifiesta que entiende y acuerda que: (i) la Opción no se encuentra relacionada con el salario ni con otras prestaciones contractuales concedidas a la persona que recibe la opción por parte del patrón; y (ii) cualquier modificación del Plan o su terminación no constituye un cambio o detrimento en los términos y condiciones de empleo.*

#### **Declaración de Política**

*La concesión de la Opción que hace la Compañía bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin ninguna responsabilidad.*

*La Compañía, con oficinas registradas ubicadas en 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, Estados Unidos de Norteamérica, es la única responsable de la administración del Plan. La participación en el Plan y la adquisición de Acciones no establece de forma alguna, una relación de trabajo entre quien recibe la opción y la Compañía, ya que la participación en el Plan por parte de quien recibe la opción es completamente comercial y el único patrón es Subsidiaria que esta contratando a quien recibe la opción, en caso de ser aplicable, así como tampoco establece ningún derecho entre quien recibe la opción y el patrón.*

#### **Reconocimiento del Plan de Documentos**

*Al aceptar la opción, quien recibe la misma reconoce que ha recibido copias del Plan y del Acuerdo, que ha revisado en su totalidad tanto el Plan como el Acuerdo y, que ha entendido y aceptado las disposiciones contenidas en el Plan y en el Acuerdo.*

*Adicionalmente, al firmar el Acuerdo, quien recibe la opción reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección 18 del Acuerdo, en la cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Subsidiarias no son responsables por cualquier detrimento en el valor de las Acciones en relación con la Opción.*

*Finalmente, por medio de la presente, quien recibe la opción declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón, así como a la Compañía, a sus Subsidiarias con respecto a cualquier demanda que pudiera originarse en virtud del Plan.*

#### **NETHERLANDS**

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in the Netherlands. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in the Netherlands. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in the Netherlands.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than the Netherlands, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **NORWAY**

None.

#### **POLAND**

##### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Poland. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in Poland. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Poland.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Poland, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Foreign Asset/Account Reporting Information**

Polish residents holding foreign securities (e.g., Shares) and/or maintaining accounts abroad are obligated to file quarterly reports with the National Bank of Poland incorporating information on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000.

#### **Exchange Control Notice**

Polish residents are also required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently EUR 15,000). Polish residents are required to store documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

### **PORTUGAL**

#### **Termination**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to the Optionee if, as of the Date of Grant, the Optionee is on permanent, non-temporary assignment in Portugal. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement), the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall be the Optionee’s attainment of the statutory retirement age in Portugal. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Portugal.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant the Optionee works in a jurisdiction other than Portugal, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Language Consent**

The Optionee hereby expressly declares that he or she is proficient in the English language and has read, understood and fully accepts and agrees with the terms and conditions established in the Plan and the Agreement.

#### **Conhecimento da Língua**

*O Participante, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e do Contrato.*

#### **Exchange Control Notice**

If the Optionee is a Portuguese resident and holds Shares after exercise of the Option, the acquisition of the Shares should be reported to the Banco de Portugal for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on the Optionee’s behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, The Optionee is responsible for submitting the report to the *Banco de Portugal*, unless the Optionee engages a Portuguese financial intermediary to file the reports on his or her behalf.

### **PUERTO RICO**

None.

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## **RUSSIA**

### **Securities Law Notice**

The Optionee acknowledges that the Agreement, the grant of the Option, the Plan and all other materials the Optionee may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. The Shares to be issued under the Plan have not and will not be registered in Russia nor will they be admitted for listing on any Russian exchange for trading within Russia. Thus, the Shares described in any Plan documents may not be offered or placed in public circulation in Russia. In no event will Shares to be issued under the Plan be delivered to the Optionee in Russia. All Shares acquired under the Plan will be maintained on behalf of the Optionee outside of Russia. The Optionee will not be permitted to sell or otherwise transfer Shares directly to a Russian legal entity or resident.

### **Exchange Control Notification**

Under current exchange control regulations in Russia, the Optionee is required to repatriate certain cash amounts received with respect to the Option (including proceeds from the sale of Shares) to Russia as soon as the Optionee intends to use those cash amounts for any purpose, including reinvestment. Such funds must be initially credited to the Optionee through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. As an express statutory exception to the above-mentioned repatriation rule, cash dividends paid on the Shares can be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD (Organization for Economic Co-operation and Development) or FATE (Financial Action Task Force) country. As of January 1, 2018, cash proceeds from the sale of Shares listed on one of the foreign stock exchanges on the list provided for by the Russian Federal Law "On the Securities Market", can also be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD or FATF country. Other statutory exemptions may apply, and the Optionee should consult with his or her personal legal advisory in this regard.

### **Labor Law Acknowledgement**

The Optionee understands that if the Optionee continues to hold the Shares acquired under the Plan after an involuntary termination of employment, the Optionee will be ineligible to receive unemployment benefits in Russia.

### **Foreign Asset/Account Reporting Information**

The Optionee is required to report the opening, closing or change of details of any foreign bank account to Russian tax authorities within one month of opening, closing or change of details of such account. The Optionee is also required to report (i) the beginning and ending balances in such a foreign bank account each year and (ii) transactions related to such a foreign account during the year to the Russian tax authorities, on or before June 1 of the following year. The tax authorities may require supporting documents related to transactions in such foreign bank accounts. The Optionee should consult his or her personal tax advisor to determine and ensure compliance with his or her foreign asset/account reporting obligations.

### **Anti-Corruption Legislation Information**

Individuals holding public office in Russia, as well as their spouses and dependent children, may be prohibited from opening or maintaining a foreign brokerage or bank account and holding any securities, whether acquired directly or indirectly, in a foreign company (including the Shares acquired under the Plan). The Optionee should consult with his or her personal legal advisor to determine whether this restriction applies to the Optionee's circumstances.

### **Data Privacy. *This data privacy consent replaces Section 14 of the Agreement:***

#### **1. Purposes for processing of the Personal Data**

- 1.1. Granting to the Optionee restricted share units or rights to purchase shares of common stock.
- 1.2. Compliance with the effective Russian Federation laws;

#### **2. The Optionee hereby grants consent to processing of the personal data listed below**

#### **1. Цели обработки Персональных данных**

- 1.1. Предоставление Субъектам персональных данных ограниченных прав на акции (Option) или прав покупки обыкновенных акций.
- 1.2. Соблюдение действующего законодательства Российской Федерации;

#### **2. Субъект персональных данных настоящим дает согласие на обработку перечисленных ниже персональных данных**

<p>2.1. Last name, first name, patronymic, year, month, date and place of birth, gender, age, address, citizenship, information on education, contact details (home address(es), direct office, home and mobile telephone numbers, e-mail address, etc.), photographs;</p>	<p>2.1. Фамилия, имя, отчество, год, месяц, дата и место рождения, пол, возраст, адрес, гражданство, сведения об образовании, контактная информация (домашний(е) адрес(а), номера прямого офисного, домашнего и мобильного телефонов, адрес электронной почты и др.), фотографии;</p>
<p>2.2. Information contained in personal identification documents (including passport details), tax identification number and number of the State Pension Insurance Certificate, including photocopies of passports, visas, work permits, drivers licenses, other personal documents;</p>	<p>2.2. Сведения, содержащиеся в документах, удостоверяющих личность, в том числе паспортные данные, ИНН и номер страхового свидетельства государственного пенсионного страхования, в том числе фотокопии паспортов, виз, разрешений на работу, водительских удостоверений, других личных документов;</p>
<p>2.3. Information on employment, including the list of duties, information on the current and former employers, information on promotions, disciplinary sanctions, transfer to other position / work, etc.;</p>	<p>2.3. Информация о трудовой деятельности, включая должностные обязанности, информация о текущем и прежних работодателях, сведения о повышениях, дисциплинарных взысканиях, переводах на другую должность/работу, и т.д.;</p>
<p>2.4. Information on the Optionee's salary amount, information on salary changes, on participation in employer benefit plans and programs, on bonuses paid, etc.;</p>	<p>2.4. Информация о размере заработной платы Субъекта персональных данных, данные об изменении заработной платы, об участии в премиальных системах и программах Работодателя, информация о выплаченных премиях, и т.д.;</p>
<p>2.5. Information on work time, including hours scheduled for work per week and hours actually worked;</p>	<p>2.5. Сведения о рабочем времени, включая нормальную продолжительность рабочего времени в неделю и количество фактически отработанного рабочего времени;</p>
<p>2.6. Information on potential membership of certain categories of employees having rights for guarantees and benefits in accordance with the Russian Federation Labor Code and other effective legislation;</p>	<p>2.6. Сведения о принадлежности к определенным категориям работников, которым предоставляются гарантии и льготы в соответствии с Трудовым кодексом Российской Федерации и иным действующим законодательством;</p>
<p>2.7. Information on the Optionee's tax status (exempt, tax resident status, etc.);</p>	<p>2.7. Информация о налоговом статусе Субъекта персональных данных (освобождение от уплаты налогов, является ли налоговым резидентом и т.д.);</p>
<p>2.8. Information on shares of Common Stock or directorships held by the Optionee, details of all awards or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding;</p>	<p>2.8. Информация об обыкновенных акциях или членстве в совете директоров Субъекта персональных данных, обо всех программах вознаграждения или иных правах на получение обыкновенных акций, которые были предоставлены, аннулированы, исполнены, погашены, непогашены или подлежат выплате.</p>
<p>2.9. Any other information, which may become necessary to the Company in connection with the purposes specified in Clause 2 above.</p>	<p>2.9. Любые иные данные, которые могут потребоваться Операторам в связи с осуществлением целей, указанных в п. 3 выше.</p>
<p>the "Personal Data"</p>	<p>далее – «Персональные данные»</p>
<p>3.1. The Optionee hereby consents to performing the following operations with the Personal Data:</p>	<p>3.1. Субъект персональных данных настоящим дает согласие на совершение с Персональными данными перечисленных ниже действий:</p>

- 3.1.1** processing of the Personal Data, including collection, systematization, accumulation, storage, verification (renewal, modification), use, dissemination (including transfer), impersonalizing, blockage, destruction;
- 3.1.2** transborder transfer of the Personal Data to operators located on the territory of foreign states. The Optionee hereby confirms that he was notified of the fact that the recipients of the Personal Data may be located in foreign states that do not ensure adequate protection of rights of personal data subjects;
- 3.1.3** including Personal Data into generally accessible sources of personal data (including directories, address books and other), placing Personal Data on the Company's web-sites on the Internet.

### **3.2. General description of the data processing methods used by the Company**

**3.2.1.** When processing the Personal Data, the Company undertakes the necessary organizational and technical measures for protecting the Personal Data from unlawful or accidental access to them, from destruction, change, blockage, copying, dissemination of Personal Data, as well as from other unlawful actions.

**3.2.2.** Processing of the Personal Data by the Company shall be performed using the data processing methods that ensure confidentiality of the Personal Data, except where: (1) Personal Data is impersonalized; and (2) in relation to publicly available Personal Data; and in compliance with the established requirements to ensuring the security of personal data, the requirements to the tangible media of biometric personal data and to the technologies for storage of such data outside personal data information systems in accordance with the effective legislation.

### **4. Term, revocation procedure**

This Statement of Consent is valid for an indefinite term. The Optionee may revoke this consent by sending to Company a written notice at least ninety (90) days in advance of the proposed consent revocation date. The Optionee agrees that during the specified notice period the Company is not obliged to cease processing of personal data or to destroy the personal data of The Optionee.

- 3.1.1.** обработка Персональных данных, включая сбор, систематизацию, накопление, хранение, уточнение (обновление, изменение), использование, распространение (в том числе передача), обезличивание, блокирование, уничтожение персональных данных;
- 3.1.2.** трансграничная передача Персональных данных операторам на территории любых иностранных государств. Субъект персональных данных настоящим подтверждает, что он был уведомлен о том, что получатели Персональных данных могут находиться в иностранных государствах, не обеспечивающих адекватной защиты прав субъектов персональных данных;
- 3.1.3.** включение Персональных данных в общедоступные источники персональных данных (в том числе справочники, адресные книги и т.п.), размещение Персональных данных на сайтах Операторов в сети Интернет.

### **3.2. Общее описание используемых Оператором(ами) способов обработки персональных данных**

**3.2.1.** При обработке Персональных данных Операторы принимают необходимые организационные и технические меры для защиты Персональных данных от неправомерного или случайного доступа к ним, уничтожения, изменения, блокирования, копирования, распространения Персональных данных, а также от иных неправомерных действий.

**3.2.2.** Обработка Персональных данных Операторами осуществляется при помощи способов, обеспечивающих конфиденциальность таких данных, за исключением следующих случаев: (1) в случае обезличивания Персональных данных; (2) в отношении общедоступных Персональных данных; и при соблюдении установленных требований к обеспечению безопасности персональных данных, требований к материальным носителям биометрических персональных данных и технологиям хранения таких данных вне информационных систем персональных данных в соответствии с действующим законодательством.

### **4. Срок, порядок отзыва**

Настоящее согласие действует в течение неопределенного срока. Субъект персональных данных может отозвать настоящее согласие путем направления Оператору(ам) письменного(ых) уведомления(ий) не менее чем за 90 (девяносто) дней до предполагаемой даты отзыва настоящего согласия. Субъект персональных данных соглашается на то, что в течение указанного срока Оператор(ы) не обязан(ы) прекращать обработку персональных данных и уничтожать персональные данные Субъекта персональных данных.

## **SINGAPORE**

### **Securities Law Notice**

The grant of the Options is being made pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") and is not made to the Optionee with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been, and will not be, lodged or registered as a

prospectus with the Monetary Authority of Singapore. The Optionee should note that the Options are subject to section 257 of the SFA and the Optionee should not make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the Option in Singapore, unless such sale or offer is made after six (6) months from the Date of Grant or pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA. The Company's Common Stock is traded on the New York Stock Exchange, which is located outside of Singapore, under the ticker symbol "DHR" and Shares acquired under the Plan may be sold through this exchange.

#### **Chief Executive Officer and Director Notification Requirement**

If the Optionee is the Chief Executive Officer (the "CEO"), or a director, associate director, or shadow director of a Singapore Subsidiary of the Company, the Optionee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Optionee receives an interest (e.g., the Options, Shares, etc.) in the Company of any related company. In addition, the Optionee must notify the Singapore Subsidiary when the Optionee sells Shares of the Company or any related company (including when the Optionee sells Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., exercise of the Options or when Shares acquired under the Plan are subsequently sold), or (iii) becoming the CEO / or a director.

#### **SOUTH AFRICA**

##### **Tax Obligations**

The following provision supplements Section 8(a) of the Agreement.

By accepting the Option, the Optionee agrees to notify the Employer of the amount of any gain realized upon exercise of the Option. If the Optionee fails to advise the Employer of the gain realized upon exercise of the Option, he or she may be liable for a fine. The Optionee will be responsible for paying any difference between the actual tax liability and the amount of tax withheld by the Company or Employer.

##### **Securities Law Notice**

In compliance with South African securities laws, the documents listed below are available on the following websites:

- i. a copy of the Company's most recent annual report (i.e., Form 10-K) is available at: <https://investors.danaher.com/sec-filings>;
- ii. a copy of the Plan is attached as an exhibit to the Company's annual report (i.e., Form 10-K) available at <https://investors.danaher.com/sec-filings>; and
- iii. a copy of the Plan Prospectus is available at [www.fidelity.com](http://www.fidelity.com).

A copy of the above documents will be sent to the Optionee free of charge on written request to Danaher Corporation, 2200 Pennsylvania Avenue, N.W. Suite 800W, Washington, DC 20037, USA Attention: Corporate Secretary.

The Optionee should carefully read the materials provided before making a decision whether to participate in the Plan. In addition, the Optionee should contact his or her tax advisor for specific information concerning the Optionee's personal tax situation with regard to Plan participation.

##### **Tax Clearance Certificate for Cash Exercises**

If the Optionee exercises the Option by a cash purchase exercise, the Optionee is required to obtain and provide to the Employer, or any third party designated by the Employer or the Company, a Tax Clearance Certificate (with respect to Foreign Investments) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service ("SARS"). The Optionee must renew this Tax Clearance Certificate each twelve (12) months or in such other period as may be required by the SARS.

If the Optionee exercises the Option by a cashless exercise whereby no funds are remitted offshore for the purchase of Shares, he or she is not required to obtain a Tax Clearance Certificate.

##### **Exchange Control Notice**

The Options may be subject to exchange control regulations in South Africa. In particular, if the Optionee is a South African resident for exchange control purposes, he or she is required to obtain approval from the South African Reserve Bank for

payments (including payments of proceeds from the sale of the Shares) that he or she receives into accounts based outside of South Africa (e.g., a U.S. brokerage account). Because exchange control regulations are subject to change, the Optionee should consult with his or her personal advisor to ensure compliance with current regulations. The Optionee is responsible for ensuring compliance with all exchange control laws in South Africa.

## **SPAIN**

### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Spain. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in Spain. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Spain.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Spain, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

### **Nature of Options**

This provision supplements Section 18 of the Agreement:

In accepting the grant of Options, the Optionee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Optionee understands that the Company, in its sole discretion, has unilaterally and gratuitously decided to grant Options under the Plan to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any Options will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Optionee understands that the Option is granted on the assumption and condition that the Option and the Shares issued upon exercise of the Option shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, or salary for any purposes (including severance compensation) or any other right whatsoever.

Further, the Optionee understands and agrees that, unless otherwise expressly provided for by the Company or set forth in the Agreement, the Option will be cancelled without entitlement to any Shares if the Optionee’s employment is terminated for any reason, including, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without good cause (*i.e.*, subject to a “despido improcedente”), material modification of the terms of employment under Article 41 of the Workers’ Statute, relocation under Article 40 of the Workers’ Statute, Article 50 of the Workers’ Statute, or under Article 10.3 of Royal Decree 1382/1985. The Committee, in its sole discretion, shall determine the date when the Optionee’s employment has terminated for purposes of the Option.

The Optionee understands that this Option grant would not be made to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of, or right to, the Option shall be null and void.

### **Exchange Control Notice**

The Optionee must declare the acquisition of the Shares to the Dirección General de Comercio e Inversiones (the “DGCI”) of the Ministry of Industry for statistical purposes. The Optionee must also declare ownership of any Shares with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, if the Optionee wishes to import the ownership title of the Shares (*i.e.*, share certificates) into Spain, he or she must declare the importation of such securities to the DGCI. The sale of the Shares must also be declared to the DGCI by means of a form D-6 filed in January. The form D-6, generally, must be filed within one month after the sale if the Optionee owns more than 10% of the share capital of the Company or his or her investment exceeds €1,502,530. In addition, the Optionee may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents, depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

### **Securities Law Notice**

No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the Options. The Plan, the Agreement (including this Addendum A) and any other documents evidencing the grant of the Options have not, nor will they be, registered with the *Comisión Nacional del Mercado de Valores*, and none of those documents constitutes a public offering prospectus.

### **Foreign Asset/Account Reporting Information**

To the extent the Optionee holds rights or assets (e.g., cash or the Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year (or at any time during the year in which the Optionee sells or disposes of such right or asset), the Optionee is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31. Failure to comply with this reporting requirement may result in penalties to the Spanish residents.

In addition, the Optionee may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

### **SWEDEN**

#### **Termination of Employment**

Section 5(e) of this Agreement (regarding Early Retirement) shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in Sweden. Instead, the provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 5(f) of this Agreement (regarding Normal Retirement) to such Optionee, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Optionee’s attainment of the statutory retirement age in Sweden. In the absence of a statutory retirement age, “Normal Retirement” shall mean attainment of the customary age for retirement in Sweden.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Optionee works in a jurisdiction other than Sweden, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Optionee the retirement provisions of this Agreement that are applicable in such other jurisdiction.

### **SWITZERLAND**

#### **Securities Law Notice**

The grant of Options is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the Options (i) constitute a prospectus as such term is understood pursuant to the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Supervisory authority).

### **TAIWAN**

#### **Securities Law Notice**

The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

#### **Exchange Control Notice**

If the Optionee is a resident of Taiwan, he or she may acquire foreign currency, and remit the same out of or into Taiwan, up to

US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, the Optionee must submit a Foreign Exchange Transaction Form to the remitting bank. If the transaction amount is US\$500,000 or more in a single transaction, the Optionee may be required to provide additional supporting documentation to the satisfaction of the remitting bank.

## **THAILAND**

### **Exchange Control Notice**

Thai residents realizing US\$50,000 or more in a single transaction from the sale of Shares or the payment of dividends are required to repatriate the funds to Thailand immediately following the receipt of the funds and to then either convert such repatriated funds into Thai Baht or deposit the funds into a foreign currency account opened with any commercial bank in Thailand within 360 days of repatriation. Any such commercial bank must be duly authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency. Further, for repatriated funds of US\$50,000 or more, the Optionee must specifically report the inward remittance by submitting the Foreign Exchange Transaction Form to an authorized agent, *i.e.*, a commercial bank authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency.

If the Optionee does not comply with this obligation, the Optionee may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, the Optionee should consult a legal advisor before selling Shares to ensure compliance with current regulations. It is the Optionee's responsibility to comply with exchange control laws in Thailand, and neither the Company nor any Subsidiary will be liable for any fines or penalties resulting from Optionee's failure to comply with applicable laws.

## **TURKEY**

### **Securities Law Notice**

Under Turkish law, the Optionee is not permitted to sell Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange under the ticket symbol "DHR" and the Shares may be sold through this exchange.

### **Exchange Control Notice**

If the Optionee remits funds out of Turkey in order to exercise the Options, the Optionee must remit such funds through a licensed financial intermediary institution in Turkey.

In certain circumstances, Turkish residents are permitted to sell Shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, Turkish residents may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan. The Optionee should consult his or her personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement.

## **UNITED ARAB EMIRATES**

### **Securities Law Notice**

The Agreement, the Plan, and other incidental communication materials related to the Options are intended for distribution only to employees of the Company and its Subsidiaries for the purposes of an incentive scheme.

The Emirates Securities and Commodities Authority and Central Bank have no responsibility for reviewing or verifying any documents in connection with this statement. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved this statement nor taken steps to verify the information set out in it, and have no responsibility for it. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Optionee does not understand the contents of the Agreement, including this Addendum A, or the Plan, the Optionee should obtain independent professional advice.

## **UNITED KINGDOM**

### **Termination of Employment**

Sections 5(e) and (f) of this Agreement, (Early Retirement and Normal Retirement, respectively), shall not apply to any Optionee who as of the Date of Grant is on permanent, non-temporary assignment in the United Kingdom. Instead, the

provisions of Section 5(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

### **Tax Obligations**

This provision supplements Section 8 of the Agreement:

Without limitation to Section 8 of the Agreement, the Optionee hereby agrees that the Optionee is liable for all Tax Related-Items and hereby covenants to pay all such Tax Related-Items, as and when requested by the Company, or if different, the Employer, or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Optionee also hereby agrees to indemnify and keep indemnified the Company and, if different, the Employer, against any Tax Related-Items that they are required to pay or withhold, or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee's behalf.

Notwithstanding the foregoing, if the Optionee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Optionee may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Optionee, as it may be considered a loan. In this case, the amount of any uncollected amounts may constitute a benefit to the Optionee on which additional income tax and National Insurance Contributions may be payable. The Optionee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 8 of the Agreement.

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**ADDENDUM B**

**OFFER OF STOCK OPTIONS  
TO AUSTRALIAN RESIDENT EMPLOYEES**

**AUSTRALIA OFFER DOCUMENT**

**DANAHER CORPORATION  
2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**

**Investment in shares involves a degree of risk. Employees who elect to participate in the Plan (“Australian Participants”) should monitor their participation and consider all risk factors relevant to the acquisition of shares and rights to receive shares under the Plan (as defined herein) as set out in this Offer Document and the additional documents.**

**The information or advice contained in this Offer Document and the additional documents is general information only. It is not advice or information specific to your particular objectives, financial situation or needs.**

**Australian Participants should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.**

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**OFFER OF RESTRICTED STOCK UNITS AND STOCK OPTIONS  
TO AUSTRALIAN RESIDENT PARTICIPANTS**

**DANAHER CORPORATION  
2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**

Danaher Corporation (the “Company”) is pleased to provide you with this offer to participate in the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated (the “Plan”). This offer sets out information regarding the grant of Restricted Stock Units (the “Stock Units”) and/or Stock Options (“Options”) to Australian resident Employees of the Company and its Subsidiaries. The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001 (the “Corporations Act”), Australia Securities and Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order CO 14/1000.

Any capitalized term used in this Offer Document shall have the meaning ascribed to such term in the Plan.

**1. OFFER OF STOCK UNITS AND OPTIONS**

This is an Offer made by the Company under the Plan to certain eligible employees of the Company or its Australian Subsidiary(ies) of Stock Units and/or Options, as may be granted from time to time in accordance with the Plan.

**2. TERMS OF GRANT**

The terms of the grant of Stock Units and/or Options incorporate the Plan, this Offer Document and the Stock Unit and/or Option Agreement to which this Offer Document is attached (each the “Agreement”). By accepting a grant of Stock Units and Options, you will be bound by the terms of the Plan and the Agreement.

**3. ADDITIONAL DOCUMENTS**

In addition to the information set out in the Agreement, you are also being provided with copies of the following documents:

- the Plan;
- U.S. prospectus for the Plan;
- Danaher Corporation’s Annual Report on Form 10-K; and
- Danaher Corporation’s Proxy Statement for the Annual Meeting of Shareholders.

(collectively, the “Additional Documents”).

The Additional Documents provide further information to help you make an informed investment decision about participating in the Plan. Neither the Plan nor the U.S. prospectus for the Plan is a prospectus for the purposes of the *Corporations Act 2001*.

**4. RELIANCE ON STATEMENTS**

You should not rely upon any oral statements made in relation to this offer. You should rely only upon the statements contained in the Agreement, this Offer Document and the Additional Documents when considering participation in the Plan.

**5. ELIGIBILITY**

You are eligible to participate under the Plan if you are an Employee, Consultant, or non-employee Director of the Company or any Subsidiary, and meet the eligibility requirements established under the Plan.

**6. WHAT ARE THE MATERIAL TERMS OF THE STOCK UNITS?**

**(a) What are Stock Units?**

Stock Units represent the right to receive shares of the Company’s common stock (“Shares”) upon fulfilment of the vesting conditions set out in the Agreement. The Stock Units are considered “restricted” because they will be subject to forfeiture and restrictions on transfer until they vest. When the Stock Units vest (i.e., when the restrictions on the Stock Units lapse), Shares will be issued to you.

**(b) Do I have to pay any money to receive the award of Stock Units?**

You pay no monetary consideration to receive the Stock Units, nor do you pay anything to receive the Shares upon vesting (with the exception of any taxes that may be due by you, as described below).

**(c) How many Shares will I receive upon vesting of my Restricted Stock Units?**

The details of your Stock Units and the Shares subject to the award are set out in the Agreement entered into between you and the Company.

**(d) When do I become a stockholder?**

You are not a stockholder merely as a result of holding Stock Units. The Stock Units will not entitle you to any shareholder rights, including the right to vote or receive dividends, notices of meeting, proxy statements and other materials provided to stockholders until the restrictions lapse, the Stock Units vest and the Shares are issued to you. You are not recorded as the owner of the Shares prior to vesting. You should refer to the Agreement and the Plan for details of the consequences of a change in the nature of your employment.

**(e) Can I transfer the Stock Units to someone else?**

No. The Stock Units are non-transferable until they vest; however, once Shares are issued upon vesting, the Shares will be freely tradeable (subject to Company policies and applicable laws regarding insider trading).

**7. WHAT ARE THE MATERIAL TERMS OF OPTIONS?**

**(a) What are Options?**

An award of Options granted under the Plan represents the right, but not the obligation, to purchase a specified number of Shares of the Company at a specified exercise price upon fulfilment of the vesting conditions set out in the Agreement.

**(b) Do I have to pay any money to receive the award of Options?**

You pay no monetary consideration to receive the award of Options. However, you must pay an exercise price and applicable taxes, as discussed below, to exercise an Option. The exercise price is determined by the Company at the time of grant and will be no less than 100% of the fair market value of a Share on the grant date of the Option.

The exercise price is denominated in U.S. dollars ("USD") and must be paid in USD. The Australian dollar ("AUD") amount required to exercise your Options and acquire Shares will be that amount which, when converted into USD on the date of exercise, equals the exercise price. The AUD of the exercise price will change with the fluctuations in the USD/AUD exchange rate.

**(c) How many Shares will I receive upon exercise of my Options?**

The details of your Options, the Shares subject to the award and the exercise price are set out in the Agreement entered into between you and the Company.

**(d) When do I become a stockholder?**

You are not a stockholder merely as a result of holding Options, and the Options will not entitle you to vote or receive dividends, notices of meetings, proxy statements and other materials provided to stockholders until you acquire Shares upon exercise of the Options. In this regard, you are not recorded as the owner of the Shares prior to the exercise of Options. You should refer to the Agreement for details of the consequences of a change in the nature of your employment.

**(e) Can I transfer the Options to someone else?**

No. The Options are non-transferable until they vest; however, once Shares are issued upon vesting, the Shares will be freely tradeable (subject to Company policies and applicable laws regarding insider trading).

**8. WHO ADMINISTERS THE PLAN?**

The Plan is administered by the Compensation Committee of the Board (the "Administrator"). The Administrator is responsible for the general operation and administration of the Plan and for carrying out its provisions and has full discretion in interpreting and administering the provisions of the Plan.

## 9. WHAT IS A SHARE OF COMMON STOCK IN THE COMPANY?

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Company's common stock is entitled to a one vote for every share held in the Company.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the Board.

The Shares are traded on the New York Stock Exchange in the United States of America under the symbol "DHR".

The Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

## 10. HOW CAN I ASCERTAIN THE CURRENT MARKET VALUE OF THE SHARES IN AUSTRALIAN DOLLARS

You may ascertain the current market price of the Shares as traded on the New York Stock Exchange at <http://www.nyse.com> under the symbol "DHR." The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This will not be a prediction of what the market price per share will be when the Stock Units and Options vest, Options are exercised, Shares are issued, or of the applicable exchange rate on the actual vesting date, exercise date, or date the Shares are issued.*

## 11. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS' PARTICIPATION IN THE PLAN?

You should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Shares. For example, the price at which Shares are quoted on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the shares will increase. Factors which may affect the price of Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

In addition, you should be aware that the Australian dollar value of any Shares acquired at vesting or exercise will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

## 12. WHAT ARE AUSTRALIAN TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN?

This summary outlines the general tax treatment in Australia for Stock Units and Options that may be granted to you by the Company under the Plan. This summary reflects the law in force in Australia as of 1 November 2018. The information in this summary relates to the tax treatment of shares or rights to acquire shares provided under an employee share scheme granted on or after 1 July 2015. Please note that tax laws are complex and change frequently. As a result, the information contained in this summary may be out of date by the time you vest in the Stock Units, exercise Options, receive Shares, or sell Shares you acquire upon vesting of Stock Units and/or exercise of Options.

The following information is a summary of the Australian tax consequences of participating in the Plan for an employee who is an Australian resident for tax purposes and employed in Australia at all material times. This summary does not deal with your taxation treatment if you are not an Australian resident or are a 'temporary resident' of Australia for tax purposes, or if you cease to be Australian resident before the Stock Unit vests or the Options are exercised. Special Australian tax rules will apply to those employees, and you should seek specific professional advice based on your own circumstances.

In addition, the information in this document is general in nature. It deals with the general employee position, and does not specifically deal with special circumstances (e.g., if you are eligible for or close to being eligible for retirement on the date of grant of the award). This summary is not intended to serve as tax or investment advice and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation. The Company does not give personal tax or financial advice, nor can the Company assure the accuracy of the information contained herein. Therefore, the information contained herein should not be relied upon by you and is not intended to take the place of consulting

with your personal tax advisor.

**(a) What is the effect of the Award of the Stock Units and/or Options?**

The Australian tax legislation contains specific rules, in Division 83A of the *Income Tax Assessment Act 1997*, governing the taxation of shares and rights acquired by employees under employee share schemes (called “ESS interests”). The Stock Units and Options granted under the Plan should be regarded as a right to acquire shares and accordingly, an ESS interest for these purposes.

Your assessable income includes any discount in relation to the acquisition of an ESS interest at grant, unless the ESS interest is subject to a real risk of forfeiture or there is a statement in the Additional Documents that tax deferral is to apply, in which case you will be subject to deferred taxation.

In the case of the Stock Units or Options, the real risk of forfeiture test requires that:

- (i) there must be a real risk that, under the conditions of the Plan, you will forfeit the Stock Units or Options or lose them (other than by disposing of them or in connection with the vesting of the Stock Units or Options); or
- (ii) there must be a real risk that if your Stock Units or Options vest, under the conditions of the Plan, you will forfeit the resulting Shares or lose them other than by disposing of them.

The terms of your Stock Units or Options are set out in the Additional Documents. It is understood that your Stock Units or Options will generally satisfy the real risk of forfeiture test and that you will be subject to deferred taxation (*i.e.*, you generally should not be subject to tax when the Stock Units or Options are granted to you). In addition, the Stock Units and Options are non-transferrable and the relevant Agreement contains a statement that Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan, which means that tax deferral is to apply. Accordingly, you should not be subject to tax when the Stock Units or Options are granted to you).

**(b) When will the taxable income from the Stock Units or Options under the Plan be recognized?**

You will be required to include an amount in your assessable income for the income year (*i.e.*, the financial year ending 30 June) in which the earliest of the following events occurs in relation to the Stock Units or Options (the “ESS deferred taxing point”). In addition to income taxes, this amount may also be subject to Medicare Levy and, if applicable, Medicare Levy surcharge.

Your ESS deferred taxing point will be the earliest of the following:

- (i) when there are both no longer any genuine restrictions on the disposal of the Stock Units and/or Options and there is no real risk of you forfeiting the Stock Units and/or Options;
- (ii) when there is no real risk of you forfeiting the Shares acquired at vesting or exercise (as applicable) and there is no genuine restriction on the disposal of the underlying Shares (if such restrictions exist, the taxing point is delayed until they lift); and
- (iii) cessation of employment (to the extent you retain the Stock Units and/or Options), but see Section 12(e)); and
- (iv) 15 years from the date the Options and/or Restricted Stock Units were granted.

Generally, assuming you remain in employment, this means that you will be subject to tax when your Stock Units are settled in shares or you exercise your Options or at the first time after vesting/exercise that any genuine restrictions on disposal of the resulting Shares cease to apply.

Further, the ESS deferred taxing point for your Stock Units and/or Options will be moved to the time you sell the underlying Shares if you sell such Shares within 30 days of the original ESS deferred taxing point (*i.e.*, typically within 30 days of vesting or exercise (as applicable)). If you sell the underlying Shares within 30 days of the original ESS deferred taxing point, you must report the income in the income year in which the sale occurs and not in the income year when the original ESS deferred taxing point occurs, if different.

**(c) What is the amount to be included in your assessable income if an ESS deferred taxing point occurs?**

The amount you must include in your assessable income in the income year in which the ESS deferred taxing point occurs in relation to your Stock Units and/or Options will be the difference between the “market value” of the underlying Shares at the ESS deferred taxing point and the cost basis of the Stock Units (which should be nil because you do not have to pay anything to acquire the Stock Units or the underlying Shares) and/or Options (which should include the exercise price).

If, however, you sell the underlying Shares in an arm’s-length transaction (as generally will be the case provided the Shares are sold through the New York Stock Exchange) within 30 days of the ESS deferred taxing point (*i.e.*, typically when the Stock Units vest and/or the Options are exercised), the amount to be included in your assessable income in the income year in which the sale occurs will be equal to the difference between the sale proceeds and the cost basis of the Stock Units (which should include any incidental costs of sale, *e.g.*, brokerage costs) and/or Options (which should include the exercise price and any incidental costs of sale, *e.g.*, brokerage costs).

**(d) What is the market value of the underlying Shares?**

The “market value” of the underlying Shares at the ESS deferred taxing point is determined according to the ordinary meaning of “market value,” expressed in Australian currency. The Company will determine the market value in accordance with the applicable guidelines prepared by the Australian Tax Office. Since the Shares are publicly traded on the New York Stock Exchange, the “market value” generally will be based on the closing trading price of the Shares on the New York Stock Exchange on the applicable date.

The Company has the obligation to provide you with certain information about your participation in the Plan at certain times, including after the end of the income year in which the ESS deferred taxing point occurs. This may assist you in determining the market value of the underlying Shares. However, this estimate may not be correct if you sell the Shares within 30 days of the vesting and/or exercise date, in which case it is your responsibility to report and pay the appropriate amount of tax based on the sale proceeds.

**(e) What happens if I cease employment before my Options and/or Restricted Stock Units vest?**

If, before vesting, you cease to be employed by the Company and its Subsidiaries and the Stock Units or Options lapses (*i.e.*, the award is forfeited), you will not be liable to pay any tax on the Stock Units or Options. If you cease employment prior to vesting and retain the Stock Units, or if you cease employment prior to exercise and retain your Options, those Stock Units or Options generally will be subject to tax on the date you cease employment.

**(f) When do I recognize taxable income from dividends?**

You will be subject to income tax on any dividends you receive on the Shares you acquire under the Plan.

You will be personally responsible for directly paying and reporting any tax liabilities attributable to dividends to the local tax authorities.

Dividends paid will be subject to U.S. income tax withholding at source. You may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. You must have a properly completed U.S. Internal Revenue Service Form W-8BEN on file in order to claim the treaty benefit. You also may be entitled to a tax offset in Australia for the U.S. federal income tax withheld.

**(g) On the date of sale of Shares acquired under the Plan, am I required to recognize a taxable gain or loss upon sale of the Shares? If so,**

- **How is the gain/loss calculated?**
- **What is the character of the gain?**
- **Is the gain subject to taxation at the same rates as ordinary income or at a preferential rate?**

Shares sold within 30 days of the Original ESS Deferred Taxing Point: If the Shares are sold within 30 days of the date of the original ESS deferred taxing point (*e.g.*, cessation of employment, vesting or exercise, as the case may be), any gain realized is subject to income tax on the sales proceeds of the Shares sold less the cost base of the Shares (which should include any incremental costs you incur in connection with the sale (*e.g.*, brokers’ fees, and should include the exercise price for Options)) and therefore no capital gains tax is due.

Shares held more than 30 days after the ESS Deferred Taxing Point: If the Shares are sold more than 30 days after the ESS deferred taxing point (e.g., cessation of employment, vesting or exercise, as the case may be), an additional tax liability may arise on the subsequent disposal of Shares acquired from the Stock Units or Options to the extent such Shares are sold at a gain. Any capital gain is calculated as the sales proceeds (assuming the sale of the Shares occurs in an arm's length transaction, as generally will be the case provided the Shares are sold through the New York Stock Exchange) less the cost base (which should include the market value of the Shares at the ESS deferred taxing point plus any incremental costs you incur in connection with the sale (e.g., brokers' fees)).

The amount of any capital gain you realize must be included in your assessable income for the year in which the Shares are sold. However, if you hold the Shares for at least one (1) year prior to selling (excluding the dates you acquired and sold the Shares), you may be able to apply a discount to the amount of capital gain that you are required to include in your assessable income. If this discount is available, you may calculate the amount of capital gain to be included in your assessable income by first subtracting all available capital losses from your capital gains and then multiplying each capital gain by the discount percentage of 50%.

Tax on the capital gain will be payable at progressive income tax rates, plus the Medicare Levy and, if applicable, surcharge.

If the sale proceeds (where the disposal is an arm's length transaction) of the Shares at the time of disposal is less than the cost base of the Shares, then a capital loss equal to the difference will be available to offset same-year or future-year capital gains. That is, a capital loss cannot be used to offset other income (including salary and wage income).

#### **(h) Withholding and Reporting**

You are responsible for reporting on your tax return and paying any tax liability in connection with your participation in the Plan. Your employer will be required to withhold tax due on the Stock Units and/or Options only if you have not provided your Tax File Number or Australian Business Number (as applicable) to your employer.

However, the Company or your employer must provide you (no later than 14 July after the end of the year) and the Commissioner of Taxation (no later than 14 August after the end of the year) with a statement containing certain information about your participation in the Plan in the income year when the ESS deferred taxing point occurs (typically, in the year of vesting or exercise (as applicable)), including an estimate of the market value of the underlying Shares at the taxing point.

Please note, however, that, if you sell the Shares within 30 days of the original ESS deferred taxing point, your taxing point will be moved to the date of disposal and, if your employer is not aware of the sale, the amount reported by your employer may differ from your actual taxable amount (which would be based on the value of the Shares when sold, rather than at the ESS deferred taxing point). You will be responsible for determining this amount and calculating your tax accordingly.

It is your responsibility to report and pay any tax liability on any dividends received. Tax will not be withheld by either the Company or your employer.

### **13. U.S. TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN**

Employees (who are not U.S. citizens or permanent residents) will not be subject to U.S. tax by reason only of the grant of Stock Units and/or Options, the acquisition of Shares at vesting or exercise (as applicable) or the sale of Shares. However, liability for U.S. taxes may accrue if an employee is otherwise subject to U.S. taxes.

The above is an indication only of the likely U.S. taxation consequences for Australian employees awarded Stock Units or Options under the Plan. You should seek your own advice as to the U.S. taxation consequences of your Plan participation.

\* \* \* \* \*

You are urged to carefully review the information contained in this Offer Document and the Additional Documents.

DANAHER CORPORATION

## ADDENDUM C

### EMPLOYER INFORMATION STATEMENT – DENMARK STOCK OPTION GRANT

#### ABEJDSGIVERERKLÆRING

Danaher Corporation (herefter "Selskabet") skal, i overensstemmelse med den danske *Lov om brug af køberet eller tegningsret til aktier m.v. i ansættelsesforhold* (herefter "Loven"), oplyse nedenstående angående tildeling (herefter "Tildelingen") af aktieoptioner (herefter "Optioner") og betingede aktier (Restricted Stock Units) (herefter "RSUer"), som du har modtaget i henhold til Danaher Corporations aktieincitamentsprogram (2007 Stock Incentive Plan) som efterfølgende ændret (herefter "Programmet").

Denne erklæring indeholder de oplysninger, der kræves efter paragraf 3, stk. 1, i Loven. Vilkårene for Tildelingen er beskrevet detaljeret i Programmet, i Selskabets aktieoptionsaftale (Stock Option Agreement) henholdsvis Selskabets aftale om tildeling af RSUer (Restricted Stock Unit Agreement) (herefter hver for sig eller samlet "Tildelingsaftalen") og i tillægget til din ansættelseskontrakt om vilkår for Programmet (herefter "Tillægget"). Programmet, Tildelingsaftalen og Tillægget (herefter samlet "Vilkårene") er stillet til rådighed for dig. Programmet er gældende, hvis der er uoverensstemmelser mellem dette og Tildelingsaftalen eller Tillægget.

#### III. Tildelingstidspunkt

Optionernes tildelingsdato er den dato, hvorpå Selskabets bestyrelse (eller den relevante bestyrelseskomite) (herefter, som relevant, "Bestyrelsen") godkendte Tildelingen og fastsatte, at den skulle gælde fra.

Pr. samme dato er du blevet tildelt RSUer på de vilkår, der følger af Vilkårene.

#### IV. Vilkår for tildelinger

Tildelingen er vedtaget alene efter Bestyrelsens skøn. Bestyrelsen har i sin bedømmelse overvejet en række faktorer, herunder personlige præstationer. Uagtet din personlige præstation og Selskabets fremtidsudsigter kan Selskabet beslutte, alene og efter eget skøn, ikke at tildele Optioner og/eller RSUer til dig i fremtiden. I henhold til betingelserne i Programmet og Tildelingsaftalen giver en konkret Tildeling dig hverken ret til eller krav på at modtage fremtidige tildelinger.

Tildelingen er endvidere betinget af dit afkald på, at tildelinger af købe- eller tegningsrettigheder til aktier m.v., som du har modtaget under ansættelse, der ikke er omfattet af dansk ret, i Danaher koncernen, kan være omfattet af Loven. Du har givet sådan afkald i Tillægget.

#### V. Udnyttelsesdato

Optioner og RSUer kan udnyttes i den periode og i overensstemmelse med de betingelser, der er angivet i Vilkårene.

#### VI. Udnyttelsespris

I udnyttelsesperioden kan Optioner udnyttes til at købe aktier i Selskabet til den udnyttelsespris, der er angivet i Tildelingsaftalen vedrørende Optioner.

Du skal ikke betale noget udnyttelsesvederlag, når RSUer modnes og aktier udstedes/overdrages til dig.

#### VII. Rettigheder ved ansættelses ophør

Hvis Loven er gældende for Tildelingen, gælder følgende vilkår for behandlingen af dine Optioner og RSUer ved din ansættelses ophør:

Hvis du fratræder som bad leaver, mister du retten til tildelte Optioner og RSUer, som på fratrædelsestidspunktet endnu ikke er modnet, og du vil ikke være berettiget til fremtidige tildelinger af Optioner og RSUer, hverken helt eller delvist. Rettigheden bortfalder automatisk og uden forudgående varsel ved fratræden.

Du betragtes som en bad leaver, hvis:



- (i) du selv siger op, uden at dette skyldes væsentlig misligholdelse fra arbejdsgiverens side;
- (ii) du opsiges af arbejdsgiveren som følge af misligholdelse fra din side; eller
- (iii) du bortvises af arbejdsgiveren som følge af væsentlig misligholdelse.

Hvis du fratræder som good leaver, opretholdes tildelte Optioner og RSU'er på uændrede vilkår, og du vil være berettiget til en i forhold til din ansættelsestid i regnskabsåret forholdsmeget andel af den tildeling, som du ville have haft ret til, hvis du havde været ansat ved regnskabsårets afslutning.

Du betragtes som en good leaver, hvis:

- (i) du opsiges, uden at dette skyldes misligholdelse fra din side;
- (ii) du selv siger op som følge af væsentlig misligholdelse fra arbejdsgiverens side; eller
- (iii) ansættelsesforholdet ophører, fordi du har nået arbejdsgiverens pensionsalder, eller hvis du er berettiget til (a) folkepension eller har nået den alder, hvor du ville have været berettiget til folkepension, (b) alderspension fra arbejdsgiveren eller (c) efterløn. Af Tillægget fremgår vilkårene for en mulig kontantkonvertering af Optioner og RSU'er.

Hvis dit danske ansættelsesforhold ophører som følge af tiltrædelse i et ansættelsesforhold, der ikke er omfattet af dansk ret, hos en anden virksomhed i Danaher koncernen, vil Loven og ovenstående vilkår i forbindelse med din fratreden herefter ikke være gældende for de i den danske ansættelsesperiode tildelte RSU'er eller Optioner, uanset om de er modnede eller ikke. Dette er beskrevet i Tillægget.

#### VIII. Økonomiske aspekter ved deltagelse i Programmet

Tildelingen har ingen umiddelbar økonomisk betydning for dig. Værdien af de rettigheder, som du har under Tildelingsaftalen, og værdien af de aktier, som du køber gennem udnyttelse af Optioner, samt værdien af RSU'er, tages der ikke hensyn til, når der skal beregnes feriegodtgørelse, ferietillæg eller andre tillæg eller kompensationer fastsat ved lov eller aftale, som helt eller delvist udmåles på baggrund af lønnen.

Aktier er finansielle instrumenter, og en investering i aktier indebærer altid en økonomisk risiko. Muligheden for fortjeneste på det tidspunkt, hvor du sælger aktier, afhænger af Selskabets økonomiske præstation og dets fremtidsudsigter samt andre faktorer som f.eks. den generelle økonomiske situation og situationen i de finansielle markeder. Værdien af Selskabets ordinære aktier, som du måtte købe ved at udnytte Optioner, eller få på baggrund af RSU'er, kan gå både op og ned.

Selskabets ordinære aktiers tidligere opnåede resultater siger ikke nødvendigvis noget om, hvordan de klarer sig fremover. Der udstedes ikke nogen garantier om, at aktier, du køber ved at udnytte Optioner, eller modtager på baggrund af RSU'er, stiger i værdi eller bevarer den værdi, som de havde, da de blev købt/modtaget.

Du er i sidste instans selv ansvarlig for overholdelse af forpligtelser mht. indkomstskat, sociale afgifter/forsikringer eller andre skattemæssige indeholdelser (herefter "Skatteforpligtelser") i forbindelse med Tildelingen eller udnyttelsen heraf. Ved accept af Tildelingen giver du tilladelse til, at Selskabet og dets datterselskaber indeholder i overensstemmelse med alle gældende Skatteforpligtelser, vedrørende beløb, som du er juridisk forpligtiget til at betale af løn eller af anden kompensation udbetalt af Selskabet eller dets datterselskaber, eller af provener fra aktiesalg.

DANAHER CORPORATION

**ADDENDUM D**

**PERSONAL DATA (PRIVACY) ORDINANCE**

**PERSONAL INFORMATION COLLECTION STATEMENT – HONG KONG**

As part of its responsibilities in relation to the collection, holding, processing or use of the personal data of employees under the Personal Data (Privacy) Ordinance, the Danaher Corporation and its subsidiaries (the “Company”) and the Optionee’s Hong Kong employer, as applicable, (the “Hong Kong Employer”) hereby is providing the Optionee with the following information.

**Purpose**

From time to time, it is necessary for the Optionee to provide the Company and the Hong Kong Employer with the Optionee’s personal data for purposes related to the Optionee’s employment and the grant of equity compensation awards by the Company to the Optionee under the Plan, as amended and restated and any other equity compensation plan that may be established by the Company (collectively, the “Plan”), as well as managing the Optionee’s ongoing participation in the Plan and for other purposes directly relating thereunder.

**Transfer of Personal Data**

Personal data will be kept confidential but, subject to the provisions of any applicable law, may be:

- Made available to appropriate persons at the Company around the world (and the Optionee hereby consents to the transfer of the Optionee’s data outside of Hong Kong);
- Supplied to any agent, contractor or third party who provides administrative or other services to the Company and/or the Hong Kong Employer or elsewhere and who has a duty of confidentiality (examples of such persons include, but are not limited to, any third party brokers or administrators engaged by the Company in relation to the Plan, external auditors, trustees, insurance companies, actuaries and any consultants/agents appointed by the Company and/or the Hong Kong Employer to plan, provide and/or administer employee benefits and awards granted under the Plan);
- Disclosed to any government departments or other appropriate governmental or regulatory authorities in Hong Kong or elsewhere such as the Inland Revenue Department and the Labour Department;
- Made available to any actual or proposed purchaser of all or part of the business of the Company or the Hong Kong Employer, in the case of any merger, acquisition or other public offering, the purchaser or subscriber for shares in the Company or the Hong Kong Employer; and
- Made available to third parties in the form of marketing materials and/or directories identifying the names, office telephone numbers, email addresses and/or other contact information for key officers, senior employees and their secretaries, assistants and support staff of the Company or the Hong Kong Employer for promotional and administrative purposes.

Transfer of the Optionee’s personal data in connection with the Plan will only be made for one or more of the purposes specified above.

**Access and Correction of Personal Data**

Under the Personal Data (Privacy) Ordinance, the Optionee has the right to ascertain whether the Hong Kong Employer holds the Optionee’s personal data, to obtain a copy of the data, and to correct any data that is inaccurate. The Optionee may also request the Hong Kong Employer to inform the Optionee of the type of personal data that it holds.

Requests for access and correction or for information regarding policies and practices and kinds of data in connection with the Plan should be addressed in writing to:

**Danaher’s Corporate Compensation department at the headquarters address of Danaher Corporation set forth above**

A small fee may be charged to offset our administrative costs in complying with the Optionee’s access requests.

Nothing in this statement shall limit the rights of the Optionee under the Personal Data (Privacy) Ordinance.

The Optionee’s signature set forth on the signature page of this Agreement represents the Optionee’s acknowledgement of the terms contained herein.

\* \* \* \* \*

**DANAHER CORPORATION**  
**2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**  
**RESTRICTED STOCK UNIT AGREEMENT**

Unless otherwise defined herein, the terms defined in the Danaher Corporation 2007 Omnibus Incentive Plan, As Amended and Restated (the “Plan”) will have the same defined meanings in this Restricted Stock Unit Agreement (the “Agreement”).

**I. NOTICE OF GRANT**

**Name:**

**Address:**

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant \_\_\_\_\_

Number of Restricted Stock Units \_\_\_\_\_

Time-Based Vesting Criteria                      The time-based vesting criteria will be satisfied with respect to [\_\_\_\_\_] % of the shares underlying the RSUs on each of the [\_\_\_\_\_] anniversaries of the Date of Grant.

**II. AGREEMENT**

1. Grant of RSUs. Danaher Corporation (the “Company”) hereby grants to the Participant named in this Grant Notice (the “Participant”), an Award of Restricted Stock Units (“RSUs”) subject to the terms and conditions of this Agreement and the Plan, which are incorporated herein by reference.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in this Agreement or in the Plan, with respect to each Tranche of RSUs granted under this Agreement (a “Tranche” consists of all RSUs as to which the Time-Based Vesting Criteria are scheduled to be satisfied on the same date), the Tranche shall not vest unless the Participant continues to be actively employed with the Company or an Eligible Subsidiary for the period required to satisfy the Time-Based Vesting Criteria applicable to such Tranche (the date on which the Time-Based Vesting Criteria applicable to a Tranche are scheduled to be satisfied is the “Time-Based Vesting Date”). Vesting shall be determined separately for each Tranche. The Time-Based Vesting Criteria applicable to any Tranche are referred to as “Vesting Conditions,” and the date upon which all Vesting Conditions applicable to that Tranche are satisfied is referred to as the “Vesting Date” for such Tranche. The Vesting Conditions shall be established by the Compensation Committee (the “Committee”) of the Company’s Board of Directors (or by one or more members of Company management, if such power has been delegated in accordance with the Plan and applicable law) and reflected in the account maintained for the Participant by an external third party administrator of the RSUs. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law, the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active employment.

(b) Reserved.

(c) Fractional RSU Vesting. In the event the Participant is vested in a fractional portion of an RSU (a “Fractional Portion”), such Fractional Portion will be rounded up and converted into a whole share of Company Common Stock (“Share”) and issued to the Participant; provided that to the extent rounding a fractional share up would result in the imposition of either (i) individual tax and penalty interest charges imposed under Section 409A of the Internal Revenue Code of 1986 (“Section 409A”), or (ii) adverse tax consequences if the Participant is located outside of the United States, the fractional share will be rounded down without the payment of any consideration in respect of such fractional share.

(d) Addenda. The provisions of Addendum A, Addendum B, Addendum C and Addendum D are incorporated by reference herein and made a part of this Agreement, and to the extent any provision in Addendum A, Addendum B, Addendum C or Addendum D conflicts with any provision set forth elsewhere in this Agreement (including without limitation any provisions relating to Retirement), the provision set forth in Addendum A, Addendum B, Addendum C or Addendum D, as applicable, shall control.

### 3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The Award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the manner set forth in Sections 2 and 4, the Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and this Agreement, with respect to any Tranche that vests in accordance with Sections 2 and 4, the underlying Shares will be paid to the Participant in whole Shares within 90 days of the Vesting Date for that Tranche. The Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the RSUs are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

### 4. Termination.

(a) General. In the event the Participant's active employment or other active service-providing relationship, as applicable, with the Company or an Eligible Subsidiary terminates (the date of any such termination is referred to as the "Termination Date") for any reason (other than death, Early Retirement or Normal Retirement) whether or not in breach of applicable labor laws, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the RSUs, all RSUs that are unvested as of the Termination Date shall automatically terminate as of the Termination Date and the Participant's right to receive further RSUs under the Plan shall also terminate as of the Termination Date. The Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or an Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship, as applicable) terminated. The Participant's active employer-employee or other active service-providing relationship, as applicable, will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include a period of "garden leave," paid administrative leave or similar period pursuant to applicable law). Unless the Committee provides otherwise (1) termination of the Participant's employment will include instances in which the Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Participant's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) Death. In the event the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates as a result of death, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the RSUs, the Participant's estate will become vested in a pro rata amount of each unvested Tranche based on the number of complete twelve-month periods between the Date of Grant and the date of the Participant's death divided by the total number of twelve-month periods between the Date of Grant and the Time-Based Vesting Date applicable to such Tranche. Notwithstanding anything in the Plan or this Agreement to the contrary, for purposes of this Section, any partial twelve-month period between the Date of Grant and the date of death shall be considered a complete twelve-month period and any Fractional Portion that results from applying the pro rata methodology shall be rounded up to a whole Share.

(c) Retirement.

(i) Upon termination of employment (or other active service-providing relationship, as applicable) by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of RSUs, with respect to each Tranche that is unvested as of the Early Retirement date, a pro-rata portion of such Tranche (i.e. based on the ratio of (x) the number of full or partial months worked by the Participant from the Date of Grant to the Early Retirement date to (y) the total number of months in the original time-based vesting schedule of such Tranche) will vest as of the Time-Based Vesting Date for such Tranche.

(ii) Upon termination of employment (or other active service-providing relationship) by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Committee either initially or subsequent to the grant of the RSUs, with respect to each Tranche that is unvested as of the Normal Retirement date, such Tranche will vest as of the Time-Based Vesting Date for such Tranche.

(d) Gross Misconduct. If the Participant's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct as determined by the Administrator, the Administrator in its sole discretion may provide that all, or any portion specified by the Administrator, of the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination of employment shall also be deemed to be a termination of employment by reason of the Participant's Gross Misconduct if, after the Participant's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Termination Covenant. To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or this Agreement after the Termination Date, such RSUs shall expire as of the date the Participant violates any covenant not to compete or other post-termination covenant that exists between the Participant on the one hand and the Company or any Subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

5. Non-Transferability of RSUs. Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

#### 6. Amendment of RSUs or Plan.

(a) The Plan and this Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. The Participant expressly warrants that he or she is not accepting this Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or the RSUs in any respect at any time; provided, however, that modifications to this Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement and the Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with the RSUs.

(b) The Participant acknowledges and agrees that if the Participant changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion reduce or eliminate the Participant's unvested RSUs.

#### 7. Tax Obligations.

(a) Withholding Taxes. Regardless of any action the Company or any Eligible Subsidiary employing the Participant (the "Employer") takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, payment on account or other Tax Related-Items ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related-Items associated with the RSUs is and remains the Participant's responsibility and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related-Items in

connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related-Items. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related-Items in more than one jurisdiction.

(i) This Section 7(a)(i) shall apply to the Participant only if the Participant is not subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant RSU first becomes includible in the gross income of the Participant for purposes of Tax Related-Items. The Participant shall, no later than the date as of which the value of an RSU first becomes includible in the gross income of the Participant for purposes of Tax Related-Items, pay to the Company and/or the Employer, or make arrangements satisfactory to the Administrator regarding payment of, all Tax Related-Items required by applicable law to be withheld by the Company and/or the Employer with respect to the RSU. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company and/or the Employer shall, to the extent permitted by applicable law, have the right to deduct any such Tax Related-Items from any payment of any kind otherwise due to the Participant. The Company shall have the right to require the Participant to remit to the Company an amount in cash sufficient to satisfy any applicable withholding requirements related thereto. With the approval of the Administrator, the Participant may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or (ii) delivering already owned unrestricted Shares, in each case, having a value equal to the minimum amount of tax required to be withheld (or such other rate that will not cause adverse accounting consequences for the Company). Any such Shares shall be valued at their Fair Market Value on the date as of which the amount of Tax Related-Items to be withheld is determined. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to the RSUs. The Company may also use any other method or combination of methods of obtaining the necessary payment or proceeds, as permitted by applicable law, to satisfy its withholding obligation with respect to any RSU.

(ii) This Section 7(a)(ii) shall apply to the Participant only if the Participant is subject to Section 16 of the Securities Exchange Act of 1934 as of the date the relevant RSU first becomes includible in the gross income of the Participant for purposes of Tax Related-Items. All Tax Related-Items legally payable by the Participant in respect of the RSUs shall be satisfied by the Company, withholding a number of the Shares that would otherwise be delivered to the Participant upon the vesting or settlement of the RSUs with a Fair Market Value, determined as of the date of the relevant taxable event, equal to the minimum statutory withholding amount that applies to the Participant, rounded up to the nearest whole share ("Net Settlement"). The Net Settlement mechanism described in this paragraph was approved by the Committee prior to the Date of Grant in a manner intended to constitute "approval in advance" by the Committee for purposes of Rule 16b3-(e) under the Securities Exchange Act of 1934, as amended.

(iii) If the obligation for Tax Related-Items is satisfied by net settlement, for tax purposes, the Participant shall be deemed to have been issued the full number of Shares issued upon vesting of the RSUs notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax Related-Items.

(b) Code Section 409A. Payments made pursuant to this Plan and the Agreement are intended to qualify for an exemption from or comply with Section 409A. Notwithstanding any provision in this Agreement, the Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan and/or this Agreement to ensure that all RSUs granted to Participants who are United States taxpayers are made in such a manner that either qualifies for exemption from or complies with Section 409A; provided, however, that the Company makes no representations that the Plan or the RSUs shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to the Plan or any RSUs granted thereunder. If this Agreement fails to meet the requirements of Section 409A, neither the Company nor any of its Eligible Subsidiaries shall have any liability for any tax, penalty or interest imposed on the Participant by Section 409A, and the Participant shall have no recourse against the Company or any of its Eligible Subsidiaries for payment of any such tax, penalty or interest imposed by Section 409A.

Notwithstanding anything to the contrary in this Agreement, these provisions shall apply to any payments and benefits otherwise payable to or provided to the Participant under this Agreement. For purposes of Section 409A, each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment." In addition, for purposes of Section 409A, payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (i) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (ii) (with respect to amounts paid as separation pay no later than the second calendar year following the calendar year containing the Participant's "separation from service" (as defined for purposes of Section 409A)) the "two years/two-times" involuntary separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which are hereby incorporated by reference.

If for purposes of making a payment under this Agreement, if any amount is payable as a result of a Substantial Corporate Change, such event must also constitute a “change in ownership or effective control” of the Company or a “change in the ownership of a substantial portion of the assets” of the Company within the meaning of Section 409A.

If the Participant is a “specified employee” as defined in Section 409A (and as applied according to procedures of the Company and its Subsidiaries) as of his or her separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A), and such payment is payable by reason of a separation from service, then to the extent required by Section 409A, no payments due under this Agreement may be made until the earlier of: (i) the first day of the seventh month following the Participant’s separation from service, or (ii) the Participant’s date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the Participant’s separation from service.

8. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of this Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

9. No Employment Contract. Nothing in the Plan or this Agreement constitutes an employment contract between the Company and the Participant and this Agreement shall not confer upon the Participant any right to continuation of employment with the Company or any of its Eligible Subsidiaries, nor shall this Agreement interfere in any way with the Company’s or any of its Eligible Subsidiaries right to terminate the Participant’s employment or at any time, with or without cause (subject to any employment agreement the Participant may otherwise have with the Company or an Eligible Subsidiary thereof and/or applicable law).

10. Board Authority. The Board and/or the Committee shall have the power to interpret this Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated.

11. Headings. The captions used in this Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

12. Electronic Delivery.

(a) If the Participant executes this Agreement electronically, for the avoidance of doubt, the Participant acknowledges and agrees that his or her execution of this Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Participant acknowledges that upon request of the Company he or she shall also provide an executed, paper form of this Agreement.

(b) If the Participant executes this Agreement in paper form, for the avoidance of doubt the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Participant executes this Agreement multiple times (for example, if the Participant first executes this Agreement in electronic form and subsequently executes this Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, this Agreement only evidences a single Award relating to the number of RSUs set forth in the Grant Notice and (ii) this Agreement shall be effective as of the earliest execution of this Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of this Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, this Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company’s intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail (“e-mail”) or such other means of electronic

delivery specified by the Company. By executing this Agreement, the Participant hereby consents to receive such documents by electronic delivery. At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.

13. **Data Privacy.** *The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. In conjunction with the Company's grant of the RSUs under the Plan and its ongoing administration of such awards, the Company is providing the following information about its data collection, processing and transfer practices ("Personal Data Activities"). In accepting the grant of the RSUs, the Participant expressly and explicitly consents to the Personal Data Activities as described herein.*

(a) **Data Collection, Processing and Usage.** *The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, email address, and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. In granting the RSUs under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.*

(b) **Stock Plan Administration Service Provider.** *The Company transfers the Participant's personal data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.*

(c) **International Data Transfers.** *The Company and the Stock Plan Administrator are based in the United States. The Participant should note that the Participant's country of residence may have enacted data privacy laws that are different from the United States. The Company's legal basis for the transfer of the Participant's personal data to the United States is the Participant's consent.*

(d) **Voluntariness and Consequences of Consent Denial or Withdrawal.** *The Participant's participation in the Plan and his or her grant of consent is purely voluntary. The Participant may deny or withdraw his or her consent at any time. If the Participant does not consent, or if the Participant later withdraws his or her consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.*

(e) **Data Subjects Rights.** *The Participant may have a number of rights under the data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise his or her rights, the Participant should contact his or her local human resources department.*

14. **Waiver of Right to Jury Trial.** EACH PARTY, TO THE FULLEST EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT OR EXPECTATION AGAINST THE OTHER TO TRIAL OR ADJUDICATION BY A JURY OF ANY CLAIM, CAUSE OR ACTION ARISING WITH RESPECT TO THE RSUS OR HEREUNDER, OR THE RIGHTS, DUTIES OR LIABILITIES CREATED HEREBY.

15. **Agreement Severable.** In the event that any provision of this Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement.

16. **Governing Law and Venue.** The laws of the State of Delaware (other than its choice of law provisions) shall govern this Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, this Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or



equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, this Agreement or the RSUs must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

17. Nature of RSUs. In accepting the RSUs, the Participant acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
- (b) the award of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs or benefits in lieu of RSUs, even if RSUs have been awarded in the past;
- (c) all decisions with respect to future equity awards, if any, shall be at the sole discretion of the Company;
- (d) the Participant's participation in the Plan is voluntary;
- (e) the award of RSUs and the Shares subject to the RSUs, and the income from and value of same, are an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Participant's employment or service contract, if any;
- (f) the award of RSUs and the Shares subject to the RSUs, and the income from and value of same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;
- (g) the award of RSUs and any Shares acquired under the Plan, and the income from and value of same, are not intended to replace or supplement any pension rights or compensation
- (h) unless otherwise expressly agreed with the Company, the RSUs and the Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary;
- (i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;
- (j) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;
- (k) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the RSUs or from any diminution in value of the RSUs or the Shares upon vesting of the RSUs resulting from termination of the Participant's employment or continuous service with the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and in consideration of the grant of the RSUs, the Participant agrees not to institute any claim against the Company or any Subsidiary; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement/electronically accepting this Agreement, Participant shall be deemed to have irrevocably waived the Participant's entitlement to pursue or seek remedy for any such claim; and
- (l) neither the Company, the Employer nor any other Eligible Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting.

18. Language. The Participant acknowledges that he or she is proficient in the English language and understands the terms of this Agreement. If the Participant has received the Plan, this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law.

19. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

20. Waiver. The Participant acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Participant or any other participant.

21. Insider Trading/Market Abuse Laws. By accepting the RSUs, the Participant acknowledges that the Participant is bound by all the terms and conditions of any Company insider trading policy as may be in effect from time to time. The Participant further acknowledges that, depending on the Participant's country, the Participant may be or may become subject to insider trading restrictions and/or market abuse laws, which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any Company insider trading policy as may be in effect from time to time. The Participant acknowledges that it is the Participant's personal responsibility to comply with any applicable restrictions, and the Participant should speak to his or her personal advisor on this matter.

22. Legal and Tax Compliance; Cooperation. If the Participant resides or is employed outside of the United States, the Participant agrees, as a condition of the grant of the RSUs, to repatriate all payments attributable to the Shares and/or cash acquired under the Plan (including, but not limited to, dividends and any proceeds derived from the sale of Shares acquired pursuant to the RSUs) if required by and in accordance with local foreign exchange rules and regulations in the Participant's country of residence (and country of employment, if different). In addition, the Participant also agrees to take any and all actions, and consent to any and all actions taken by the Company and its Eligible Subsidiaries, as may be required to allow the Company and its Eligible Subsidiaries to comply with local laws, rules and regulations in the Participant's country of residence (and country of employment, if different). Finally, the Participant agrees to take any and all actions as may be required to comply with the Participant's personal legal and tax obligations under local laws, rules and regulations in the Participant's country of residence (and country of employment, if different).

23. Private Offering. The grant of the RSUs is not intended to be a public offering of securities in the Participant's country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filing with the local securities authorities with respect to the grant of the RSUs (unless otherwise required under local law). **No employee of the Company is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan or provide the Participant with any legal, tax or financial advice with respect to the grant of the RSUs. Investment in Shares involves a degree of risk. Before deciding to acquire Shares pursuant to the RSUs, the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition of Shares under the Plan or the disposition of them. Further, the Participant should carefully review all of the materials related to the RSUs and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisors for professional advice in relation to the Participant's personal circumstances.**

24. Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset/ account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets, or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant should consult his or her personal legal advisor for any details.

25. Addendum B. Notwithstanding any provisions in the Agreement, the RSUs and any Shares subject to the RSUs shall be subject to any special terms and conditions for the Participant's country of employment and country of residence, if different, as set forth in Addendum B. Moreover, if the Participant relocates to one of the countries including in Addendum B, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the RSUs (or the Company

may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Addendum B constitutes part of this Agreement.

26. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares subject to the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

27. **Recoupment.** The RSUs granted pursuant to this Agreement are subject to the terms of the Danaher Corporation Recoupment Policy in the form approved by the Committee from time to time (including any successor thereto, the "Policy") if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired pursuant to the Participant's RSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

28. **Notices.** The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to this Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to this Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company's failure to provide any such notices or the Participant's failure to receive any such notices. The Participant further agrees to notify the Company upon any change in his or her residence address.

29. **Limitations on Liability.** Notwithstanding any other provisions of the Plan or this Agreement, no individual acting as a director, employee, or agent of the Company or any of its Subsidiaries will be liable to the Participant or the Participant's spouse, beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan, nor will such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. No member of the Board or of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any RSUs.

30. **Consent and Agreement With Respect to Plan.** The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing this Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts these RSUs subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2007 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of this Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of this Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or this Agreement.

[If the Agreement is signed in paper form, complete and execute the following:]

**PARTICIPANT**

**DANAHER CORPORATION**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Print Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Residence Address*

**Declaration of Data Privacy Consent.** By providing the additional signature below, the undersigned explicitly declares his or her consent to the data processing operations described in Section 13 of this Agreement. This includes, without limitation, the transfer of the Participant's personal data to, and the processing of such data by, the Company, the Employer or, as the case may be, the Stock Plan Administrator in the United States. The undersigned may withdraw his or her consent at any time, with future effect and for any or no reason as described in Section 13 of this Agreement.

**PARTICIPANT:**

\_\_\_\_\_  
*Signature*

\_\_\_\_\_

## ADDENDUM A

This Addendum includes additional terms and conditions that govern the RSUs granted to the Participant if the Participant works and/or resides in one of the countries listed herein. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Grant Notice, the Agreement or the Plan.

This Addendum may also include information regarding exchange controls, tax and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect as of November 2018. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information contained herein as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time the Participant vests in the RSUs or sells Shares acquired under the Plan.

In addition, this Addendum is general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. **Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in the Participant's country apply to the Participant's specific situation.**

*If the Participant is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after the grant of the RSUs, the information contained herein may not be applicable to the Participant in the same manner.*

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## EUROPEAN UNION (“EU”) / EUROPEAN ECONOMIC AREA (“EEA”)

### Data Privacy

If the Participant resides and/or is employed in the EU / EEA, the following provision replaces Section 13 of the Agreement:

*The Company is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. The Participant should review the following information about the Company’s data processing practices.*

*(a) Data Collection, Processing and Usage. Pursuant to applicable data protection laws, the Participant is hereby notified that the Company collects, processes, and uses certain personally-identifiable information about the Participant; specifically, including the Participant’s name, home address, email address and telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant’s favor, which the Company receives from the Participant or the Employer. In granting the RSUs under the Plan, the Company will collect the Participant’s personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company collects, processes and uses the Participant’s personal data pursuant to the Company’s legitimate interest of managing the Plan and generally administering employee equity awards and to satisfy its contractual obligations under the terms of this Agreement. The Participant’s refusal to provide personal data may affect the Participant’s ability to participate in the Plan. As such, by participating in the Plan, the Participant voluntarily acknowledges the collection, processing and use, of the Participant’s personal data as described herein.*

*(b) Stock Plan Administration Service Provider. The Company transfers participant data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the “Stock Plan Administrator”). In the future, the Company may select a different Stock Plan Administrator and share the Participant’s personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant’s ability to participate in the Plan.*

*(c) International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. The Company can only meet its contractual obligations to the Participant if the Participant’s personal data is transferred to the United States. The Company’s legal basis for the transfer of the Participant’s personal data to the United States is to satisfy its contractual obligations under the terms of this Agreement and/or its use of the standard data protection clauses adopted by the EU Commission.*

*(d) Data Retention. The Company will use the Participant’s personal data only as long as is necessary to implement, administer and manage the Participant’s participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Participant’s personal data, the Company will remove it from its systems. If the Company keeps the Participant’s data longer, it would be to satisfy legal or regulatory obligations and the Company’s legal basis would be for compliance with relevant laws or regulations.*

*(e) Data Subjects Rights. The Participant may have a number of rights under data privacy laws in the Participant’s country of residence. For example, the Participant’s rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant’s country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant’s personal data. To receive clarification regarding the Participant’s rights or to exercise his or her rights, the Participant should contact his or her local human resources department.*

## ARGENTINA

### Labor Law Acknowledgement

This provision supplements Section 17 of the Agreement:

In accepting the RSUs, the Participant acknowledges and agrees that the grant of RSUs is made by the Company (not the Employer) in its sole discretion and that the value of the RSUs or any Shares acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (i) any labor benefits

including, without limitation, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (ii) any termination or severance indemnities or similar payments.

If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, the Participant acknowledges and agrees that such benefits shall not accrue more frequently than on the relevant Vesting Date(s).

#### **Securities Law Notice**

The Participant understands that neither the grant of the RSUs nor Shares issued pursuant to the RSUs constitute a public offering as defined by the Law N° 17,811, or any other Argentine law. The offering of the RSUs is a private placement and the underlying Shares are not listed on any stock exchange in Argentina. As such, the offering is not subject to the supervision of any Argentine governmental authority.

#### **Foreign Asset/Account Reporting Information**

If the Participant holds the Shares as of December 31 of any year, the Participant is required to report the holding of the Shares on his or her personal tax return for the relevant year.

#### **AUSTRALIA**

##### **RSUs Conditioned on Satisfaction of Regulatory Obligations**

If the Participant is (a) a director of a Subsidiary incorporated in Australia, or (b) a person who is a management-level executive of a Subsidiary incorporated in Australia and who also is a director of a Subsidiary incorporated outside of Australia, the grant of the RSUs is conditioned upon satisfaction of the shareholder approval provisions of section 200B of the Corporations Act 2001 (Cth) in Australia.

##### **Australian Offer Document**

The Participant understands that the offering of the Plan in Australia is intended to qualify for exemption from the prospectus requirements under Class Order 14/1000 issued by the Australian Securities and Investments Commission. Participation in the Plan is subject to the terms and conditions set forth in the Australian Offer Document, (which is attached hereto as Addendum C), the Plan and this Agreement provided to the Participant.

##### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Australia. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

##### **Tax Information**

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

##### **Exchange Control Notice**

Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers of any amount. The Australian bank assisting with the transaction will file the report for the Participant. If there is no Australian bank involved in the transfer, the Participant will be responsible for filing the report.

#### **AUSTRIA**

##### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Austria. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in Austria. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Austria.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Austria, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Exchange Control Notice**

If the Participant holds Shares acquired under the Plan outside of Austria, the Participant must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The deadline for filing the quarterly report is the 15th day of the month following the end of the respective quarter. The annual reporting date is December 31 and the deadline for filing the annual report is January 31 of the following year.

When the Participant sells Shares acquired under the Plan or receives a dividend payment, there may be exchange control obligations if the cash proceeds are held outside of Austria. If the transaction volume of all accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month, on the prescribed form (*Meldungen SI-Forderungen und/oder SI-Verpflichtungen*).

#### **BELGIUM**

##### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Belgium. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Participant’s attainment of the statutory retirement age in Belgium. In the absence of a statutory retirement age in such jurisdiction, “Normal Retirement” shall mean attainment of the customary age for retirement in Belgium.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Belgium, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

##### **Foreign Asset/Account Reporting Information**

The Participant is required to report any securities (e.g., Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on his or her annual tax return. The Participant will also be required to complete a separate report, providing the National Bank of Belgium with details regarding any such account (including the account number, the name of the bank in which such account is held and the country in which such account is located). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, [www.nbb.be](http://www.nbb.be), under *Kredietcentrales / Centrales des crédits* caption.

##### **Stock Exchange Tax Information**

A stock exchange tax applies to transactions executed by a Belgian resident through a non-Belgian financial intermediary, such as a U.S. broker. The stock exchange tax will apply when Shares acquired pursuant to the RSUs are sold. The Participant should consult with a personal tax or financial advisor for additional details on the Participant’s obligations with respect to the stock exchange tax.

##### **Brokerage Account Tax Information**

Belgian residents are subject to a brokerage account tax if the average annual value of securities (including Shares acquired under the Plan) held by such resident in a brokerage account exceeds certain thresholds. As the calculation of this tax is complex, the Participant should consult with the Participant’s personal tax or financial advisor for details on the applicability of this tax.

#### **BRAZIL**

##### **Labor Law Policy and Acknowledgment**

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This provision supplements Section 17 of the Agreement:

By accepting the RSUs, the Participant agrees that he or she is (i) making an investment decision; (ii) the Shares will be issued to the Participant only if the Vesting Conditions are met and (iii) the value of the underlying Shares is not fixed and may increase or decrease in value over the vesting period without compensation to the Participant.

#### **Compliance with Law**

By accepting the RSUs, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the RSUs, and the sale of Shares acquired under the Plan and the receipt of any dividends.

#### **Foreign Asset/Account Reporting Information**

If the Participant is a resident or domiciled in Brazil, the Participant may be required to submit an annual declaration of assets and rights held outside of Brazil to the Central Bank of Brazil. If the aggregate value of such assets and rights is US\$100,000 or more but less than US\$100,000,000, a declaration must be submitted annually. If the aggregate value exceeds US\$100,000,000, a declaration must be submitted quarterly.

#### **CANADA**

##### **RSUs Payable Only in Shares**

RSUs granted to Participants in Canada shall be paid in Shares only. In no event shall any of such RSUs be paid in cash, notwithstanding any discretion contained in the Plan, or any provision in the Agreement to the contrary.

*The following two provisions apply if the Participant is a resident of Quebec:*

##### **Consent to Receive Information in English**

The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be written in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais du présent Contrat, ainsi que de tous documents exécutés, avis donnés ou procédures judiciaires intentées, en vertu du, ou liés directement ou indirectement, au présent Contrat.*

##### **Data Privacy**

The following provision supplements Section 13 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Participant's awards under the Plan. The Participant further authorizes the Company, its Subsidiaries, and the Stock Plan Administrator, to disclose and discuss the Participant's participation in the Plan with their respective advisors. The Participant further authorizes the Company and its Subsidiaries to record such information and to keep such information in his or her employee file.

##### **Securities Law Notice**

The Participant is permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares is listed. The Shares are currently listed on the New York Stock Exchange.

##### **Foreign Asset/Account Reporting Information**

Foreign property, including the RSUs, Shares acquired under the Plan, and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, unvested RSUs must be reported – generally at a nil cost – if the C\$100,000 cost threshold is exceeded because the Participant holds other foreign property. When Shares are acquired, their cost generally is the adjusted cost base (“ACB”) of the Shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if the Participant owns other shares of the Company, this ACB may need to be averaged with the ACB of the other shares. The Participant should consult his or her personal legal advisor to ensure compliance with applicable reporting obligations.

## **CHILE**

### **Securities Law Notice**

The grant of the RSUs is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Date of Grant (as defined in the Agreement), and this offer conforms to General Ruling No. 336 of the Chilean Commission of the Financial Market (“CMF”);
  - b) The offer deals with securities not registered in the Registry of Securities or in the Registry of Foreign Securities of the CMF, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the CMF; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o “Date of Grant”, según este término se define en el documento denominado “Agreement”) y esta oferta se acoge a la norma de Carácter General N° 336 de la Comisión para el Mercado Financiero de Chile (“CMF”);*
  - b) *La oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta;*
  - c) *Por tratar de valores no inscritos en la CMF no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
  - d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

### **Exchange Control Notice**

According to the International Exchange Transaction Regulations (“IETR”) issued by the Central Bank of Chile, it is arguable whether the acquisition of the Shares for which the Participant does not remit funds abroad represents an “investment operation”. In case the acquisition qualifies as an investment operation under the IETR and the aggregate value of any Shares exceeds US\$10,000, the Participant must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first ten (10) days of the month following the settlement of the RSUs.

The Participant is not required to repatriate funds obtained from the sale of Shares or the receipt of any dividends to Chile. However, if the Participant decides to repatriate such funds, the Participant must do so through the Formal Exchange Market if the amount of the funds exceeds US\$10,000. In such case, the Participant must report the payment to a commercial bank or registered foreign exchange office receiving the funds. However, if the Participant does not repatriate the funds and uses such funds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, the Participant must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank of Chile within the first ten (10) days of the month immediately following the transaction.

If the Participant’s aggregate investments held outside of Chile exceeds US\$5,000,000 (including the value of Shares acquired under the Plan), the Participant must report the investments annually to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that the Participant may have prior to the vesting of the RSUs.

### **Foreign Asset/Account Reporting Information**

The Chilean Internal Revenue Service (“CIRS”) requires all taxpayers to provide information annually regarding: (i) the taxes paid abroad which they will use as a credit against Chilean income taxes, and (ii) the results of foreign investments. These annual reporting obligations must be complied with by submitting a sworn statement setting forth this information before June 30 of each year, depending on the assets and/or taxes being reported. The forms to be used to submit the sworn statement are Tax Form 1853 “Annual Sworn Statement Regarding Credits for Taxes Paid Abroad” and Tax Form 1851 “Annual Sworn

Statement Regarding Investments Held Abroad.” If the Participant is not a Chilean citizen and has been a resident in Chile for less than three (3) years, the Participant is exempt from the requirement to file Tax Form 1853. These statements must be submitted electronically through the CIRS website: [www.sii.cl](http://www.sii.cl).

## **CHINA**

### **Exchange Control Restrictions Applicable to Participants who are PRC Nationals**

If the Participant is a local national of the People’s Republic of China (“PRC”), the Participant understands and agrees that upon RSU vesting the underlying Shares may be sold immediately or, at the Company’s discretion, at a later time. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on the Participant’s behalf pursuant to this authorization), and the Participant expressly authorizes such broker to complete the sale of such Shares. The Participant acknowledges that the Company’s designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with applicable exchange control laws and regulations and provided any liability for Tax Related-Items resulting from the vesting of the RSUs has been satisfied. Due to fluctuations in the Share price and/or the U.S. Dollar exchange rate between the Vesting Date and (if later) the date on which the Shares are sold, the sale proceeds may be more or less than the fair market value of the Shares on the Vesting Date. The Participant understands and agrees that the Company is not responsible for the amount of any loss the Participant may incur and that the Company assumes no liability for any fluctuations in the Share price and/or U.S. Dollar exchange rate.

The Participant understands and agrees that, due to exchange control laws in China, the Participant will be required to immediately repatriate to China the cash proceeds from the sale of any Shares acquired at vesting of the RSUs and any dividends received in relation to the Shares. The Participant further understands that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account to be approved by the local foreign exchange administration, and the Participant hereby consents and agrees that the proceeds from the sale of Shares acquired under the Plan and any dividends received in relation to the Shares may be transferred to such special account prior to being delivered to the Participant. The proceeds may be paid to the Participant in U.S. Dollars or local currency at the Company’s discretion. In the event the proceeds are paid to the Participant in U.S. Dollars, the Participant understands that he or she will be required to set up a U.S. Dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account. In addition, the Participant understands and agrees that the Participant will be responsible for converting the proceeds into Renminbi Yuan at the Participant’s expense.

If the proceeds are paid to the Participant in local currency, the Participant agrees to bear any currency fluctuation risk between the time the Shares are sold or dividends are paid and the time the proceeds are distributed to the Participant through any such special account.

### **Exchange Control Notice Applicable to Participants in the PRC**

If the Participant is a local national of the PRC, the Participant understands that exchange control restrictions may limit the Participant’s ability to access and/or convert funds received under the Plan, particularly if these amounts exceed US\$50,000. The Participant should confirm the procedures and requirements for withdrawals and conversions of foreign currency with his or her local bank prior to the vesting of the RSUs/sale of Shares.

The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the Peoples’ Republic of China.

### **Foreign Asset/Account Reporting Information**

PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. The Participant may be subject to reporting obligations for the Shares or awards acquired under the Plan and Plan-related transactions. It is the Participant’s responsibility to comply with this reporting obligation and the Participant should consult his/her personal tax advisor in this regard.

## **COLOMBIA**

### **Labor Law Acknowledgement**

The following provision supplements Section 17 of the Agreement:

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The Participant acknowledges that pursuant to Article 15 of Law 50/1990 (Article 128 of the Colombian Labor Code), the Plan, the RSUs, the underlying Shares, and any other amounts or payments granted or realized from participation in the Plan do not constitute a component of the Participant's "salary" for any purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions or any other labor-related amount which may be payable.

#### **Securities Law Notice**

The Shares are not and will not be registered with the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*), and therefore, the Shares cannot be offered to the public in Colombia. Nothing in the Agreement shall be construed as making a public offer of securities, or the promotion of financial products in Colombia.

#### **Exchange Control Notice**

Foreign investments must be registered with the Central Bank of Colombia (*Banco de la República*). Upon the subsequent sale or other disposition of investments held abroad, the registration with the Central Bank must be canceled, the proceeds from the sale or other disposition of the Shares must be repatriated to Colombia and the appropriate Central Bank form must be filed (usually with the Participant's local bank). The Participant acknowledges that he or she personally is responsible for complying with Colombian exchange control requirements.

#### **Foreign Asset/Account Reporting Information**

An annual informative return must be filed with the Colombian Tax Office detailing any assets held abroad (including the Shares acquired under the Plan). If the individual value of any of these assets exceeds a certain threshold, each asset must be described (*e.g.*, its nature and its value) and the jurisdiction in which it is located must be disclosed. The Participant acknowledges that he or she personally is responsible for complying with this tax reporting requirement.

#### **CROATIA**

##### **Exchange Control Notice**

The Participant must report any foreign investments (including Shares acquired under the Plan) to the Croatian National Bank for statistical purposes. However, because exchange control regulations may change without notice, the Participant should consult with his or her legal advisor to ensure compliance with current regulations. The Participant acknowledges that he or she personally is responsible for complying with Croatian exchange control laws.

#### **CZECH REPUBLIC**

##### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in the Czech Republic. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

##### **Exchange Control Notice**

Upon request of the Czech National Bank (the "CNB"), the Participant may need to report the following to the CNB: foreign direct investments, financial credits from abroad, investment in foreign securities and associated collection and payments (Shares and proceeds from the sale of the Shares may be included in this reporting requirement). The Participant may need to report the following even in the absence of a request from the CNB: foreign direct investments with a value of CZK 2,500,000 or more in the aggregate or other foreign financial assets with a value of CZK 200,000,00 or more. Because exchange control regulations change frequently and without notice, the Participant should consult his or her personal legal advisor prior to vesting of the RSUs and the sale of Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with Czech exchange control laws, and neither the Company nor any Subsidiary will be liable for any resulting fines or penalties.

#### **DENMARK**

##### **Danish Stock Option Act**

Notwithstanding anything in this Agreement to the contrary, the treatment of the RSUs upon the Participant's termination of employment with the Company or an Eligible Subsidiary, as applicable, shall be governed by the Danish Stock Option Act, as in effect at the time of the Participant's termination (as determined by the Committee in its discretion in consultation with legal

counsel). By accepting the RSUs, the Participant acknowledges that he or she has received a Danish translation of an Employer Statement, which is being provided to comply with the Danish Stock Option Act.

#### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Denmark. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in Denmark. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Denmark.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Denmark, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Foreign Asset/Account Reporting Information**

The establishment of an account holding Shares or an account holding cash outside Denmark must be reported to the Danish Tax Administration. The form which should be used in this respect may be obtained from a local bank. (Please note that these obligations are separate from and in addition to the securities/tax reporting obligations described below.)

#### **Securities Law/Tax Notice**

If the Participant holds Shares acquired under the Plan in a brokerage account with a broker or bank outside Denmark, the Participant is required to inform the Danish Tax Administration about the account. For this purpose, the Participant must file a Form V (Erklæring V) with the Danish Tax Administration. Both the Participant and the bank/broker must sign the Form V. By signing the Form V, the bank/broker undertakes an obligation, without further request each year and not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the account. In the event that the applicable broker or bank with which the account is held does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage account and Shares deposited therein to the Danish Tax Administration as part of his or her annual income tax return. By signing the Form V, the Participant authorizes the Danish Tax Administration to examine the account. A sample of the Form V can be found at the following website: [www.skat.dk](http://www.skat.dk).

In addition, if the Participant opens a brokerage account (or a deposit account with a U.S. bank) for the purpose of holding cash outside Denmark, the Participant is also required to inform the Danish Tax Administration about this account. To do so, the Participant must also file a Form K (Erklæring K) with the Danish Tax Administration. The Form K must be signed both by the Participant and by the applicable broker or bank where the account is held. By signing the Form K, the broker/bank undertakes an obligation, without further request each year and not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Participant acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Participant's annual income tax return. By signing the Form K, the Participant authorizes the Danish Tax Administration to examine the account. A sample of Form K can be found at the following website: [www.skat.dk](http://www.skat.dk).

#### **FINLAND**

#### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Finland. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such

Participant's attainment of the statutory retirement age in Finland. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Finland.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Finland, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

## **FRANCE**

### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in France. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in France. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in France.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in France, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

### **Consent to Receive Information in English**

By accepting the RSUs, the Participant confirms having read and understood the Plan, the Grant Notice, the Agreement and this Addendum B, including all terms and conditions included therein, which were provided in the English language. The Participant accepts the terms of those documents accordingly.

### ***Consentement afin de Recevoir des Informations en Anglais***

*En acceptant les droits sur des actions assujettis à restrictions (« restricted stock units » ou « RSUs »), le Participant confirme avoir lu et compris le Plan, la Notification d'Attribution, le Contrat et la présente Annexe B, en ce compris tous les termes et conditions y relatifs, qui ont été fournis en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.*

### **Foreign Asset/Account Reporting Information**

The Participant may hold any Shares acquired under the Plan, any sales proceeds resulting from the sale of Shares or any dividends paid on such Shares outside of France, provided the Participant declares all foreign accounts, whether open, current, or closed, in his or her income tax return. Failure to complete this reporting triggers penalties for the resident. Further, French residents with foreign account balances exceeding prescribed amounts may have additional monthly reporting obligations.

## **GERMANY**

### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Germany. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

### **Exchange Control Notice**

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank (Bundesbank). In case of payments in connection with securities (including proceeds realized upon the sale of Shares or the receipt of dividends), the report must be made by the 5th day of the month following the month in which the payment was received. The form must be filed electronically and the form of report ("Allgemeine Meldeportal Statistik") can be accessed via the Bundesbank's website ([www.bundesbank.de](http://www.bundesbank.de)) and is available in both German and English. The Participant acknowledges that he or she personally is responsible for complying with applicable reporting requirements.

## **HONG KONG**

### **Form of Settlement**

Notwithstanding any discretion contained in the Plan or anything to the contrary in the Agreement, the RSUs are payable in Shares only.

### **Sale Restriction**

Shares received at vesting are accepted as a personal investment. In the event that the RSUs vest and Shares are issued to the Participant (or the Participant's heirs) within six (6) months of the Date of Grant, the Participant (or the Participant's heirs) agrees that the Shares will not be offered to the public or otherwise disposed of prior to the six (6)-month anniversary of the Date of Grant.

### **Securities Law Notice**

*WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, the Participant should obtain independent professional advice. Neither the grant of the RSUs nor the issuance of the Shares upon vesting of the RSUs constitutes a public offering of securities under Hong Kong law and is available only to employees of the Company and its Subsidiaries. The Agreement, including this Addendum B, the Plan and other incidental communication materials distributed in connection with the RSUs (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong and (ii) are intended only for the personal use of each eligible employee of the Company or its Subsidiaries and may not be distributed to any other person.*

### **Nature of Scheme**

The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

## **HUNGARY**

### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Hungary. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

## **INDIA**

### **Exchange Control Notice**

The Participant must repatriate any proceeds from the sale of the Shares and any cash dividends acquired under the Plan to India and convert the proceeds into local currency within a certain period from the time of receipt (90 days for sale proceeds and within 180 days for dividend payments, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency). The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation.

It is the Participant's responsibility to comply with exchange control laws in India, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws.

### **Foreign Asset/Account Reporting Information**

The Participant is required to declare his or her foreign bank accounts and any foreign financial assets (including Shares held outside India) in the Participant's annual tax return. It is the Participant's responsibility to comply with this reporting obligation and the Participant should consult his or her personal advisor in this regard as significant penalties may apply in the case of non-compliance.

## **INDONESIA**

### **Language Consent**

A translation of the documents relating to this grant into Bahasa Indonesia can be provided to Participant upon request to Danaher's Corporate Compensation department. By accepting the RSUs, the Participant (i) confirms having read and understood the documents relating to the RSUs (*i.e.*, the Plan and the Agreement) which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

#### **Persetujuan Bahasa**

*Terjemahan dari dokumen-dokumen terkait dengan pemberian ini ke Bahasa Indonesia dapat disediakan untuk Peserta berdasarkan permintaan kepada Danaher's Corporate Compensation department. Dengan menerima Pemberian, Peserta (i) memberikan konfirmasi bahwa anda telah membaca dan memahami dokumen-dokumen berkaitan dengan Pemberian ini (yaitu, Program dan Perjanjian) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan).*

#### **Exchange Control Notice**

Indonesian residents must provide Bank Indonesia with information on foreign exchange activities (e.g., remittance of proceeds from the sale of Shares into Indonesia) via a monthly report submitted online through Bank Indonesia's website. The report is due no later than the 15th day of the month following the month in which the activity occurred.

In addition, when proceeds from the sale of Shares are remitted into Indonesia, a statistical reporting requirement will apply and the Indonesian bank executing the transaction may request information from the Participant and the Participant will be obliged to provide such information so that the bank can fulfill this reporting requirement to Bank Indonesia.

#### **IRELAND**

##### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Ireland. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

#### **ISRAEL**

##### **Trust Arrangement**

The Participant understands and agrees that the RSUs awarded under the Agreement are awarded subject to and in accordance with the terms and conditions of the Plan, the Sub-Plan for Israel (the "Sub-Plan"), the Trust Agreement (the "Trust Agreement") between the Company and the Company's trustee appointed by the Company or its Subsidiary in Israel (the "Trustee"), or any successor trustee. In the event of any inconsistencies between the Sub-Plan, the Agreement and/or the Plan, the Sub-Plan will govern.

##### **Type of Grant**

The RSUs are intended to qualify for favorable tax treatment in Israel as a "102 Capital Gains Track Grant" (as defined in the Sub-Plan) subject to the terms and conditions of "Section 102" (as defined in the Sub-Plan) and the rules promulgated thereunder. Notwithstanding the foregoing, by accepting the RSUs, the Participant acknowledges that the Company cannot guarantee or represent that the favorable tax treatment under Section 102 will apply to the RSUs.

By accepting the RSUs, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the terms and provisions of Section 102, the Plan, the Sub-Plan, the Trust Agreement and the Agreement; (b) accepts the RSUs subject to all of the terms and conditions of the Agreement, the Plan, the Sub-Plan, the Trust Agreement and Section 102 and the rules promulgated thereunder; and (c) agrees that the RSUs and/or any Shares issued in connection therewith, will be registered for the benefit of the Participant in the name of the Trustee as required to qualify under Section 102.

The Participant hereby undertakes to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation to the Plan, or any RSUs or the Shares granted thereunder. The Participant agrees to execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 and the Income Tax Ordinance (New Version) – 1961 ("ITO").



### **Electronic Delivery**

The following provision supplements Section 12 of the Agreement.

To the extent required pursuant to Israeli tax law and/or by the Trustee, the Participant consents and agrees to deliver hard-copy written notices and/or actual copies of any notices or confirmations provided by the Participant related to his or her participation in the Plan.

### **Data Privacy**

The following provision supplements Section 13 of the Agreement:

Without derogating from the scope of Section 13 of the Agreement, the Participant hereby explicitly consents to the transfer of Data between the Company, the Trustee, and/or a designated Plan broker, including any requisite transfer of such Data outside of the Participant's country and further transfers thereafter as may be required to a broker or other third party.

### **Securities Law Information**

This grant does not constitute a public offering under the Securities Law, 1968.

### **ITALY**

#### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Italy. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in Italy. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Italy.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Italy, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **Plan Document Acknowledgement**

In accepting the RSUs, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, has reviewed the Plan and the Agreement (including this Addendum B), in their entirety and fully understands and accepts all provisions of the Plan and the Agreement (including this Addendum B).

The Participant further acknowledges that he or she has read and specifically and expressly approves without limitation, the following sections of the Agreement: Section 7: Tax Obligations; Section 16: Governing Law and Venue; Section 17: Nature of RSUs; Section 25: Addendum B; Section 26: Imposition of Other Requirements; Section 27: Recoupment; and the Data Privacy section above.

#### **Foreign Asset/Account Reporting Information**

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

### **JAPAN**

#### **Foreign Asset/Account Reporting Information**

The Participant will be required to report details of any assets held outside Japan as of December 31st to the extent such assets have a total net fair market value exceeding ¥50,000,000. This report is due by March 15 each year. The Participant should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the requirement extends to any outstanding RSUs or Shares acquired under the Plan.

## **KAZAKHSTAN**

None.

## **KOREA**

### **Exchange Control Notice**

If the Participant realizes US\$500,000 or more from the sale of Shares or the receipt of any dividends with respect to RSUs granted prior to July 18, 2017, Korean exchange control laws may require the Participant to repatriate the proceeds back to Korea within three (3) years of the sale/receipt.

### **Foreign Asset/Account Reporting Information**

Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) based in foreign countries that have not entered into an "inter-governmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds a certain threshold. The Participant should consult with the Participant's personal tax advisor for additional information about this reporting obligation, including whether or not there is an applicable inter-governmental agreement between Korea and the U.S. (or any other country where the Participant may hold any Shares or cash acquired in connection with the Plan).

## **LUXEMBOURG**

### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to the Participant if, as of the Date of Grant, the Participant is on permanent, non-temporary assignment in the Netherlands. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement), the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean the Participant's attainment of the statutory retirement age in the Netherlands. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in the Netherlands.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant the Participant works in a jurisdiction other than in Luxembourg, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply the retirement provisions of this Agreement that are applicable in such other jurisdiction.

## **MEXICO**

### **Labor Law Acknowledgement**

This provision supplements Section 17 of the Agreement.

By accepting the RSUs, the Participant acknowledges that he or she understands and agrees that: (i) the RSUs are not related to the salary and other contractual benefits granted to the Participant by the Employer; and (ii) any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of employment.

### **Policy Statement**

The grant of the RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., 20037, United States of America, is solely responsible for the administration of the Plan. Participation in the Plan and the acquisition of Shares under the Plan does not, in any way establish an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is the Subsidiary employing the Participant, as applicable, nor does it establish any rights between the Participant and the Employer.

### **Plan Document Acknowledgment**

By participating in the Plan, Participant acknowledges that he or she has received copies of the Plan and the Agreement, has reviewed the Plan and the Agreement in their entirety and fully understands and accept all provisions of the Plan and the Agreement.

In addition, by participating in the Plan, the Participant further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in Section 17 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and its Subsidiaries are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grants a full and broad release to the Employer and the Company and its Subsidiaries with respect to any claim that may arise under the Plan.

### **Spanish Translation**

#### ***Reconocimiento de la Ley Laboral***

*Esta disposición complementa la Sección 17 del Acuerdo.*

*Al aceptar el RSU, el Participante reconoce entiende y acuerda que: (i) la RSU no se encuentra relacionada con el salario ni con otras prestaciones contractuales concedidas al Participante por del patrón; y (ii) cualquier modificación del Plan o su terminación no constituye un cambio o detrimento en los términos y condiciones de empleo.*

#### ***Declaración de Política***

*La concesión del RSU que la Compañía está haciendo bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin ninguna responsabilidad.*

*La Compañía, con oficinas registradas ubicadas en 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, D.C., Estados Unidos de Norteamérica, es la única responsable por la administración del Plan. La participación en el Plan y la adquisición de Acciones no establece de forma alguna, una relación de trabajo entre el Participante y la Compañía, ya que la participación en el Plan por parte del Participante es completamente comercial y el único patrón es Subsidiaria que esta contratando al que tiene la RSU, en caso de ser aplicable, así como tampoco establece ningún derecho entre el que tiene la RSU y el patrón.*

#### ***Reconocimiento del Plan de Documentos***

*Al participar en el Plan, el Participante reconoce que ha recibido copias del Plan y del Acuerdo, mismos que ha revisado en su totalidad y los entiende completamente y, que ha entendido y aceptado las disposiciones contenidas en el Plan y en el Acuerdo.*

*Adicionalmente, al participar en el Plan, el Participante reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la Sección 17 del Acuerdo, en la cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Subsidiarias no son responsables por cualquier detrimento en el valor de las Acciones en relación con la RSU.*

*Finalmente, el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón, así como a la Compañía, a sus Subsidiarias con respecto a cualquier demanda que pudiera originarse en virtud del Plan.*

### **NETHERLANDS**

#### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in the Netherlands. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in the Netherlands. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in the Netherlands.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in the Netherlands, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

#### **NORWAY**

None.

#### **POLAND**

##### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Poland. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in Poland. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Poland.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Poland, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

##### **Foreign Asset/Account Reporting Information**

Polish residents holding foreign securities (e.g., Shares) and/or maintaining accounts abroad are obligated to file quarterly reports with the National Bank of Poland incorporating information on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000.

##### **Exchange Control Notice**

Polish residents are also required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently EUR 15,000). Polish residents are required to store documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

#### **PORTUGAL**

##### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to the Participant if, as of the Date of Grant, the Participant is on permanent, non-temporary assignment in Portugal. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement), the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean the Participant's attainment of the statutory retirement age in Portugal. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Portugal.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant the Participant works in a jurisdiction other than in Portugal, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply the retirement provisions of this Agreement that are applicable in such other jurisdiction.

##### **Language Consent**

The Participant hereby expressly declares that he or she is proficient in the English language and has read, understood and fully accepts and agrees with the terms and conditions established in the Plan and the Agreement.

##### **Conhecimento da Lingua**

*O Participante, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e do Contrato.*

### **Exchange Control Notice**

If the Participant is a Portuguese resident and holds Shares after vesting of the RSUs, the acquisition of the Shares should be reported to the *Banco de Portugal* for statistical purposes. If the Shares are deposited with a commercial bank or financial intermediary in Portugal, such bank or financial intermediary will submit the report on the Participant's behalf. If the Shares are not deposited with a commercial bank or financial intermediary in Portugal, The Participant is responsible for submitting the report to the *Banco de Portugal*, unless the Participant engages a Portuguese financial intermediary to file the reports on his or her behalf.

### **PUERTO RICO**

None.

### **RUSSIA**

#### **Securities Law Notice**

The Participant acknowledges that the Agreement, the grant of the RSUs, the Plan and all other materials the Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities in Russia. Shares to be issued under the Plan have not and will not be registered in Russia, nor will they be admitted for listing on any Russian exchange for trading within Russia. Thus, the Shares described in any Plan documents may not be offered or placed in public circulation in Russia. In no event will the Shares to be issued under the Plan be delivered to the Participant in Russia. All the Shares acquired under the Plan will be maintained on behalf of the Participant outside of Russia. The Participant will not be permitted to sell or otherwise transfer the Shares directly to a Russian legal entity or resident.

#### **Exchange Control Notification**

Under current exchange control regulations in Russia, the Participant is required to repatriate certain cash amounts received with respect to the RSUs (including proceeds from the sale of the Shares) to Russia as soon as the Participant intends to use those cash amounts for any purpose, including reinvestment. Such funds must initially be credited to the Participant through a foreign currency account at an authorized bank in Russia. After the funds are initially received in Russia, they may be further remitted to foreign banks in accordance with Russian exchange control laws. As an express statutory exception to the above-mentioned repatriation rule, cash dividends paid on the Shares can be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD (Organization for Economic Co-operation and Development) or FATF (Financial Action Task Force) country. As of January 1, 2018, cash proceeds from the sale of the Shares listed on one of the foreign stock exchanges on the list provided for by the Russian Federal law "On the Securities Market", can also be paid directly to a foreign bank or brokerage account opened with a bank located in an OECD or FATF country. Other statutory exceptions may apply, and the Participant should consult with his or her personal legal advisory in this regard.

#### **Labor Law Acknowledgement**

The Participant understands that if the Participant continues to hold the Shares acquired under the Plan after an involuntary termination of employment, the Participant will be ineligible to receive unemployment benefits in Russia.

#### **Foreign Asset/Account Reporting Information**

The Participant is required to report the opening, closing or change of details of any foreign bank account to Russian tax authorities within one month of opening, closing or change of details of such account. The Participant is also required to report (i) the beginning and ending balances in such a foreign bank account each year, and (ii) transactions related to such a foreign account during the year to the Russian tax authorities, on or before June 1 of the following year. The tax authorities may require supporting documents related to transactions in such foreign bank accounts. The Participant should consult his or her personal tax advisor to determine and ensure compliance with his or her foreign asset/account reporting obligations.

#### **Anti-Corruption Legislation Information**

Individuals holding public office in Russia, as well as their spouses and dependent children, may be prohibited from opening or maintaining a foreign brokerage or bank account and holding any securities, whether acquired directly or indirectly, in a foreign company (including the Shares acquired under the Plan). The Participant should consult with his or her personal legal advisor to determine whether this restriction applies to the Participant's circumstances.

#### **Data Privacy. This data privacy consent replaces Section 13 of the Agreement:**

## 1. Purposes for processing of the Personal Data

1.1. Granting to the Participant restricted share units or rights to purchase shares of common stock.

1.2. Compliance with the effective Russian Federation laws;

## 2. The Participant hereby grants consent to processing of the personal data listed below

2.1. Last name, first name, patronymic, year, month, date and place of birth, gender, age, address, citizenship, information on education, contact details (home address(es), direct office, home and mobile telephone numbers, e-mail address, etc.), photographs;

2.2. Information contained in personal identification documents (including passport details), tax identification number and number of the State Pension Insurance Certificate, including photocopies of passports, visas, work permits, drivers licenses, other personal documents;

2.3. Information on employment, including the list of duties, information on the current and former employers, information on promotions, disciplinary sanctions, transfer to other position / work, etc.;

2.4. Information on the Participant's salary amount, information on salary changes, on participation in employer benefit plans and programs, on bonuses paid, etc.;

2.5. Information on work time, including hours scheduled for work per week and hours actually worked;

2.6. Information on potential membership of certain categories of employees having rights for guarantees and benefits in accordance with the Russian Federation Labor Code and other effective legislation;

2.7. Information on the Participant's tax status (exempt, tax resident status, etc.);

2.8. Information on shares of Common Stock or directorships held by the Participant, details of all awards or any other entitlement to shares of Common Stock awarded, cancelled, exercised, vested, unvested or outstanding;

## 1. Цели обработки Персональных данных

1.1. Предоставление Субъектам персональных данных ограниченных прав на акции (RSU) или прав покупки обыкновенных акций.

1.2. Соблюдение действующего законодательства Российской Федерации;

## 2. Субъект персональных данных настоящим дает согласие на обработку перечисленных ниже персональных данных

2.1. Фамилия, имя, отчество, год, месяц, дата и место рождения, пол, возраст, адрес, гражданство, сведения об образовании, контактная информация (домашний(е) адрес(а), номера прямого офисного, домашнего и мобильного телефонов, адрес электронной почты и др.), фотографии;

2.2. Сведения, содержащиеся в документах, удостоверяющих личность, в том числе паспортные данные, ИНН и номер страхового свидетельства государственного пенсионного страхования, в том числе фотокопии паспортов, виз, разрешений на работу, водительских удостоверений, других личных документов;

2.3. Информация о трудовой деятельности, включая должностные обязанности, информация о текущем и прежних работодателях, сведения о повышениях, дисциплинарных взысканиях, переводах на другую должность/работу, и т.д.;

2.4. Информация о размере заработной платы Субъекта персональных данных, данные об изменении заработной платы, об участии в премиальных системах и программах Работодателя, информация о выплаченных премиях, и т.д.;

2.5. Сведения о рабочем времени, включая нормальную продолжительность рабочего времени в неделю и количество фактически отработанного рабочего времени;

2.6. Сведения о принадлежности к определенным категориям работников, которым предоставляются гарантии и льготы в соответствии с Трудовым кодексом Российской Федерации и иным действующим законодательством;

2.7. Информация о налоговом статусе Субъекта персональных данных (освобождение от уплаты налогов, является ли налоговым резидентом и т.д.);

2.8. Информация об обыкновенных акциях или членстве в совете директоров Субъекта персональных данных, обо всех программах вознаграждения или иных правах на получение обыкновенных акций, которые были предоставлены, аннулированы, исполнены, погашены, непогашены или подлежат выплате.

2.9. Any other information, which may become necessary to the Company in connection with the purposes specified in Clause 2 above.

the “Personal Data”

**3.1. The Participant hereby consents to performing the following operations with the Personal Data:**

- 3.1.1. processing of the Personal Data, including collection, systematization, accumulation, storage, verification (renewal, modification), use, dissemination (including transfer), impersonalizing, blockage, destruction;
- 3.1.2. transborder transfer of the Personal Data to operators located on the territory of foreign states. The Participant hereby confirms that he was notified of the fact that the recipients of the Personal Data may be located in foreign states that do not ensure adequate protection of rights of personal data subjects;
- 3.1.3. including Personal Data into generally accessible sources of personal data (including directories, address books and other), placing Personal Data on the Company’s web-sites on the Internet.

**3.2. General description of the data processing methods used by the Company**

3.2.1. When processing the Personal Data, the Company undertakes the necessary organizational and technical measures for protecting the Personal Data from unlawful or accidental access to them, from destruction, change, blockage, copying, dissemination of Personal Data, as well as from other unlawful actions.

3.2.2. Processing of the Personal Data by the Company shall be performed using the data processing methods that ensure confidentiality of the Personal Data, except where: (1) Personal Data is impersonalized; and (2) in relation to publicly available Personal Data; and in compliance with the established requirements to ensuring the security of personal data, the requirements to the tangible media of biometric personal data and to the technologies for storage of such data outside personal data information systems in accordance with the effective legislation.

**4. Term, revocation procedure**

2.9. Любые иные данные, которые могут потребоваться Операторам в связи с осуществлением целей, указанных в п. 3 выше.

далее – «Персональные данные»

**3.1. Субъект персональных данных настоящим дает согласие на совершение с Персональными данными перечисленных ниже действий:**

- 3.1.1. обработка Персональных данных, включая сбор, систематизацию, накопление, хранение, уточнение (обновление, изменение), использование, распространение (в том числе передача), обезличивание, блокирование, уничтожение персональных данных;
- 3.1.2. трансграничная передача Персональных данных операторам на территории любых иностранных государств. Субъект персональных данных настоящим подтверждает, что он был уведомлен о том, что получатели Персональных данных могут находиться в иностранных государствах, не обеспечивающих адекватной защиты прав субъектов персональных данных;
- 3.1.3. включение Персональных данных в общедоступные источники персональных данных (в том числе справочники, адресные книги и т.п.), размещение Персональных данных на сайтах Операторов в сети Интернет.

**3.2. Общее описание используемых Оператором(ами) способов обработки персональных данных**

3.2.1. При обработке Персональных данных Операторы принимают необходимые организационные и технические меры для защиты Персональных данных от неправомерного или случайного доступа к ним, уничтожения, изменения, блокирования, копирования, распространения Персональных данных, а также от иных неправомерных действий.

3.2.2. Обработка Персональных данных Операторами осуществляется при помощи способов, обеспечивающих конфиденциальность таких данных, за исключением следующих случаев: (1) в случае обезличивания Персональных данных; (2) в отношении общедоступных Персональных данных; и при соблюдении установленных требований к обеспечению безопасности персональных данных, требований к материальным носителям биометрических персональных данных и технологиям хранения таких данных вне информационных систем персональных данных в соответствии с действующим законодательством.

**4. Срок, порядок отзыва**

This Statement of Consent is valid for an indefinite term. The Participant may revoke this consent by sending to Company a written notice at least ninety (90) days in advance of the proposed consent revocation date. The Participant agrees that during the specified notice period the Company is not obliged to cease processing of Personal Data or destroy the Personal Data of the Participant.

Настоящее согласие действует в течение неопределенного срока. Субъект персональных данных может отозвать настоящее согласие путем направления Оператору(ам) письменного(ых) уведомления(ий) не менее чем за 90 (девяносто) дней до предполагаемой даты отзыва настоящего согласия. Субъект персональных данных соглашается на то, что в течение указанного срока Оператор(ы) не обязан(ы) прекращать обработку персональных данных и уничтожать персональные данные Субъекта персональных данных.

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## **SINGAPORE**

### **Securities Law Notice**

The grant of the RSUs is being made pursuant to the “Qualifying Person” exemption” under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“SFA”) and is not made to Participant with a view to the underlying Shares being subsequently offered for sale to any other party. The Plan has not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSUs are subject to section 257 of the SFA and the Participant should not make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer is made after six (6) months from the Date of Grant or pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA. The Company’s Common Stock is traded on the New York Stock Exchange, which is located outside of Singapore, under the ticker symbol “DHR” and the Shares acquired under the Plan may be sold through this exchange.

### **Chief Executive Officer and Director Notification Requirement**

If the Participant is the Chief Executive Officer (the “CEO”), or a director, associate director, or shadow director if a Singapore Subsidiary of the Company, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (e.g., RSUs, Shares, etc.) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when the Participant sells the Shares of the Company or any related company (including when the Participant sells the Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest (e.g., upon vesting of the RSUs or when Shares acquired under the Plan are subsequently sold), or (iii) becoming the CEO / or a director.

## **SOUTH AFRICA**

### **Tax Obligations**

This provision supplements Section 7(a) of the Agreement:

By accepting the RSUs, the Participant agrees to immediately notify the Employer of the amount of any gain realized upon vesting of the RSUs. If the Participant fails to advise the Employer of the gain realized at vesting, the Participant may be liable for a fine. The Participant will be responsible for paying any difference between the actual tax liability and the amount of tax withheld by the Company or Employer.

### **Securities Law Notice**

In compliance with South African securities laws, the documents listed below are available on the following websites:

- i. a copy of the Company’s most recent annual report (i.e., Form 10-K) is available at: <https://investors.danaher.com/sec-filings>;
- ii. a copy of the Plan is attached as an exhibit to the Company’s annual report (i.e., Form 10-K) available at <https://investors.danaher.com/sec-filings>; and
- iii. a copy of the Plan Prospectus is available at [www.fidelity.com](http://www.fidelity.com).

A copy of the above documents will be sent to the Participant free of charge on written request to Danaher Corporation, 2200 Pennsylvania Avenue, N.W. Suite 800W, Washington, DC 20037, USA Attention: Corporate Secretary.



The Participant should carefully read the materials provided before making a decision whether to participate in the Plan. In addition, the Participant should contact his or her tax advisor for specific information concerning the Participant's personal tax situation with regard to Plan participation.

#### **Exchange Control Notice**

The RSUs may be subject to exchange control regulations in South Africa. In particular, if the Participant is a South African resident for exchange control purposes, he or she is required to obtain approval from the South African Reserve Bank for payments (including payments of proceeds from the sale of the Shares) that he or she receives into accounts based outside of South Africa (e.g., a U.S. brokerage account). Because exchange control regulations are subject to change, the Participant should consult with his or her personal advisor to ensure compliance with current regulations. The Participant is responsible for ensuring compliance with all exchange control laws in South Africa.

#### **SPAIN**

##### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Spain. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of "Normal Retirement" set forth in the Plan shall not apply and instead "Normal Retirement" shall mean such Participant's attainment of the statutory retirement age in Spain. In the absence of a statutory retirement age in such jurisdiction, "Normal Retirement" shall mean attainment of the customary age for retirement in Spain.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Spain, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

##### **Nature of RSUs**

This provision supplements Section 17 of the Agreement:

In accepting the grant of the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan. The Participant understands that the Company, in its sole discretion, has unilaterally and gratuitously decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that such RSUs and any Shares acquired upon vesting of the RSUs shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever.

Further, as a condition of the grant of the RSUs, unless otherwise expressly provided for by the Company or set forth in the Agreement, the RSUs will be cancelled without entitlement to any Shares if the Participant terminates employment by reason of, including, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "despido improcedente"), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, or under Article 10.3 of Royal Decree 1382/1985. The Committee, in its sole discretion, shall determine the date when the Participant's employment has terminated for purposes of the RSUs.

The Participant understands that the grant of the RSUs would not be granted but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of, or right to, the RSUs shall be null and void.

##### **Securities Law Notice**

No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the RSUs. The Plan, the Agreement (including this Addendum B) and any other documents evidencing the grant of the RSUs have not, nor will they be, registered with the *Comisión Nacional del Mercado de Valores*, and none of those documents constitutes a public offering prospectus.

## **Exchange Control Notice**

The Participant must declare the acquisition of the Shares to the Dirección General de Comercio e Inversiones (the “DGCI”) of the Ministry of Industry for statistical purposes. The Participant must also declare ownership of any Shares with the Directorate of Foreign Transactions each January while the Shares are owned. In addition, if the Participant wishes to import the ownership title of the Shares (i.e., share certificates) into Spain, he or she must declare the importation of such securities to the DGCI. The sale of the Shares must also be declared to the DGCI by means of a form D-6 filed in January. The form D-6, generally, must be filed within one month after the sale if the Participant owns more than 10% of the share capital of the Company or his or her investment exceeds €1,502,530. In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents, depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

## **Foreign Asset/Account Reporting Information**

To the extent the Participant holds rights or assets (e.g., cash or the Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year (or at any time during the year in which the Participant sells or disposes of such right or asset), the Participant is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31. Failure to comply with this reporting requirement may result in penalties to the Spanish residents.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

## **SWEDEN**

### **Termination**

Section 4(c)(i) of this Agreement (regarding Early Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in Sweden. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement to the contrary.

For purposes of applying the Plan and Section 4(c)(ii) of this Agreement (regarding Normal Retirement) to such Participant, the definition of “Normal Retirement” set forth in the Plan shall not apply and instead “Normal Retirement” shall mean such Participant’s attainment of the statutory retirement age in Sweden. In the absence of a statutory retirement age in such jurisdiction, “Normal Retirement” shall mean attainment of the customary age for retirement in Sweden.

Notwithstanding the foregoing, in the event that subsequent to the Date of Grant such Participant works in a jurisdiction other than in Sweden, if required to comply with applicable law, the Committee shall have sole and absolute discretion to instead apply to such Participant the retirement provisions of this Agreement that are applicable in such other jurisdiction.

## **SWITZERLAND**

### **Securities Law Notice**

The grant of the RSUs is considered a private offering in Switzerland and is therefore not subject to securities registration in Switzerland. Neither this document nor any other materials relating to the RSUs (i) constitute a prospectus as such term is understood pursuant to the Swiss Code of Obligations, (ii) may be publicly distributed nor otherwise made publicly available in Switzerland, or (iii) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority).

## **TAIWAN**

### **Securities Law Notice**

The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

### **Exchange Control Notice**

If the Participant is a resident of Taiwan, he or she may acquire foreign currency, and remit the same out of or into Taiwan, up to US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form to the remitting bank. If the transaction amount is US\$500,000 or more in a single transaction, the Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank.

## **THAILAND**

### **Exchange Control Notice**

Thai residents realizing US\$50,000 or more in a single transaction from the sale of Shares or the payment of dividends are required to repatriate the funds to Thailand immediately following the receipt of the funds and to then either convert such repatriated funds into Thai Baht or deposit the funds into a foreign currency account opened with any commercial bank in Thailand within 360 days of repatriation. Any such commercial bank must be duly authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency. Further, for repatriated funds of US\$50,000 or more, the Participant must specifically report the inward remittance by submitting the Foreign Exchange Transaction Form to an authorized agent, *i.e.*, a commercial bank authorized by the Bank of Thailand to engage in the purchase, exchange and withdrawal of foreign currency.

If the Participant does not comply with this obligation, the Participant may be subject to penalties assessed by the Bank of Thailand. Because exchange control regulations change frequently and without notice, the Participant should consult a legal advisor before selling Shares to ensure compliance with current regulations. It is the Participant's responsibility to comply with exchange control laws in Thailand, and neither the Company nor any Parent or Subsidiary will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws.

## **TURKEY**

### **Securities Law Notice**

Under Turkish law, the Participant is not permitted to sell Shares acquired under the Plan in Turkey. The Shares are currently traded on the New York Stock Exchange under the ticker symbol "DHR" and the Shares may be sold through this exchange.

### **Exchange Control Notice**

In certain circumstances, Turkish residents are permitted to sell the Shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, Turkish residents may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan. The Participant should consult his or her personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement.

## **UNITED ARAB EMIRATES**

### **Securities Law Notice**

The Agreement, the Plan, and other incidental communication materials related to the RSUs are intended for distribution only to employees of the Company and its Subsidiaries for the purposes of an incentive scheme.

The Emirates Securities and Commodities Authority and Central Bank have no responsibility for reviewing or verifying any documents in connection with this statement. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved this statement nor taken steps to verify the information set out in it, and have no responsibility for it. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Participant does not understand the contents of the Agreement, including this Addendum B, or the Plan, the Participant should obtain independent professional advice.

## **UNITED KINGDOM**

### **Termination**

Section 4(c) of this Agreement (Retirement) shall not apply to any Participant who as of the Date of Grant is on permanent, non-temporary assignment in the United Kingdom. Instead, the provisions of Section 4(a) (General), shall apply, notwithstanding the provisions therein regarding Early Retirement and Normal Retirement to the contrary.

### **Tax Obligations**

This provision supplements Section 7 of the Agreement:

Without limitation to Section 7 of the Agreement, the Participant hereby agrees that the Participant is liable for all Tax Related-Items and hereby covenants to pay all such Tax Related-Items, as and when requested by the Company, or if different, the Employer, or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also hereby agrees to indemnify and keep indemnified the Company and, if different, the Employer, against any Tax Related-Items that they are required to pay or withhold, or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Participant may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Participant, as it may be considered a loan. In this case, the amount of any uncollected amounts may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 7 of the Agreement.

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**ADDENDUM B**  
**OFFER OF RESTRICTED STOCK UNITS  
TO AUSTRALIAN RESIDENT EMPLOYEES**

**AUSTRALIA OFFER DOCUMENT**

**DANAHER CORPORATION  
2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**

**Investment in shares involves a degree of risk. Employees who elect to participate in the Plan (“Australian Participants”) should monitor their participation and consider all risk factors relevant to the acquisition of shares and rights to receive shares under the Plan (as defined herein) as set out in this Offer Document and the additional documents.**

**The information or advice contained in this Offer Document and the additional documents is general information only. It is not advice or information specific to your particular objectives, financial situation or needs.**

**Australian Participants should consider obtaining their own financial product advice from an independent person who is licensed by the Australian Securities and Investments Commission to give such advice.**

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**OFFER OF RESTRICTED STOCK UNITS AND STOCK OPTIONS  
TO AUSTRALIAN RESIDENT PARTICIPANTS**

**DANAHER CORPORATION  
2007 OMNIBUS INCENTIVE PLAN, AS AMENDED AND RESTATED**

Danaher Corporation (the “Company”) is pleased to provide you with this offer to participate in the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated (the “Plan”). This offer sets out information regarding the grant of Restricted Stock Units (the “Stock Units”) and/or Stock Options (“Options”) to Australian resident Employees of the Company and its Subsidiaries. The Plan and this Offer Document are intended to comply with the provisions of the Corporations Act 2001 (the “Corporations Act”), Australia Securities and Investments Commission (“ASIC”) Regulatory Guide 49 and ASIC Class Order CO 14/1000.

Any capitalized term used in this Offer Document shall have the meaning ascribed to such term in the Plan.

**1. OFFER OF STOCK UNITS AND OPTIONS**

This is an Offer made by the Company under the Plan to certain eligible employees of the Company or its Australian Subsidiary(ies) of Stock Units and/or Options, as may be granted from time to time in accordance with the Plan.

**2. TERMS OF GRANT**

The terms of the grant of Stock Units and/or Options incorporate the Plan, this Offer Document and the Stock Unit and/or Option Agreement to which this Offer Document is attached (each the “Agreement”). By accepting a grant of Stock Units and Options, you will be bound by the terms of the Plan and the Agreement.

**3. ADDITIONAL DOCUMENTS**

In addition to the information set out in the Agreement, you are also being provided with copies of the following documents:

- the Plan;
- U.S. prospectus for the Plan;
- Danaher Corporation’s Annual Report on Form 10-K; and
- Danaher Corporation’s Proxy Statement for the Annual Meeting of Shareholders.

(collectively, the “**Additional Documents**”).

The Additional Documents provide further information to help you make an informed investment decision about participating in the Plan. Neither the Plan nor the U.S. prospectus for the Plan is a prospectus for the purposes of the *Corporations Act 2001*.

**4. RELIANCE ON STATEMENTS**

You should not rely upon any oral statements made in relation to this offer. You should rely only upon the statements contained in the Agreement, this Offer Document and the Additional Documents when considering participation in the Plan.

**5. ELIGIBILITY**

You are eligible to participate under the Plan if you are an Employee, Consultant, or non-employee Director of the Company or any Subsidiary, and meet the eligibility requirements established under the Plan.

**6. WHAT ARE THE MATERIAL TERMS OF THE STOCK UNITS?**

**(a) What are Stock Units?**

Stock Units represent the right to receive shares of the Company’s common stock (“Shares”) upon fulfilment of the vesting conditions set out in the Agreement. The Stock Units are considered “restricted” because they will be subject to forfeiture and restrictions on transfer until they vest. When the Stock Units vest (i.e., when the restrictions on the Stock Units lapse), Shares will be issued to you.

**(b) Do I have to pay any money to receive the award of Stock Units?**

You pay no monetary consideration to receive the Stock Units, nor do you pay anything to receive the Shares upon vesting (with the exception of any taxes that may be due by you, as described below).

**(c) How many Shares will I receive upon vesting of my Restricted Stock Units?**

The details of your Stock Units and the Shares subject to the award are set out in the Agreement entered into between you and the Company.

**(d) When do I become a stockholder?**

You are not a stockholder merely as a result of holding Stock Units. The Stock Units will not entitle you to any shareholder rights, including the right to vote or receive dividends, notices of meeting, proxy statements and other materials provided to stockholders until the restrictions lapse, the Stock Units vest and the Shares are issued to you. You are not recorded as the owner of the Shares prior to vesting. You should refer to the Agreement and the Plan for details of the consequences of a change in the nature of your employment.

**(e) Can I transfer the Stock Units to someone else?**

No. The Stock Units are non-transferable until they vest; however, once Shares are issued upon vesting, the Shares will be freely tradeable (subject to Company policies and applicable laws regarding insider trading).

**7. WHAT ARE THE MATERIAL TERMS OF OPTIONS?**

**(a) What are Options?**

An award of Options granted under the Plan represents the right, but not the obligation, to purchase a specified number of Shares of the Company at a specified exercise price upon fulfilment of the vesting conditions set out in the Agreement.

**(b) Do I have to pay any money to receive the award of Options?**

You pay no monetary consideration to receive the award of Options. However, you must pay an exercise price and applicable taxes, as discussed below, to exercise an Option. The exercise price is determined by the Company at the time of grant and will be no less than 100% of the fair market value of a Share on the grant date of the Option.

The exercise price is denominated in U.S. dollars ("USD") and must be paid in USD. The Australian dollar ("AUD") amount required to exercise your Options and acquire Shares will be that amount which, when converted into USD on the date of exercise, equals the exercise price. The AUD of the exercise price will change with the fluctuations in the USD/AUD exchange rate.

**(c) How many Shares will I receive upon exercise of my Options?**

The details of your Options, the Shares subject to the award and the exercise price are set out in the Agreement entered into between you and the Company.

**(d) When do I become a stockholder?**

You are not a stockholder merely as a result of holding Options, and the Options will not entitle you to vote or receive dividends, notices of meetings, proxy statements and other materials provided to stockholders until you acquire Shares upon exercise of the Options. In this regard, you are not recorded as the owner of the Shares prior to the exercise of Options. You should refer to the Agreement for details of the consequences of a change in the nature of your employment.

**(e) Can I transfer the Options to someone else?**

No. The Options are non-transferable until they vest; however, once Shares are issued upon vesting, the Shares will be freely tradeable (subject to Company policies and applicable laws regarding insider trading).

## **8. WHO ADMINISTERS THE PLAN?**

The Plan is administered by the Compensation Committee of the Board (the “Administrator”). The Administrator is responsible for the general operation and administration of the Plan and for carrying out its provisions and has full discretion in interpreting and administering the provisions of the Plan.

## **9. WHAT IS A SHARE OF COMMON STOCK IN THE COMPANY?**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Company’s common stock is entitled to a one vote for every share held in the Company.

Dividends may be paid on the Shares out of any funds of the Company legally available for dividends at the discretion of the Board.

The Shares are traded on the New York Stock Exchange in the United States of America under the symbol “DHR”.

The Shares are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

## **10. HOW CAN I ASCERTAIN THE CURRENT MARKET VALUE OF THE SHARES IN AUSTRALIAN DOLLARS**

You may ascertain the current market price of the Shares as traded on the New York Stock Exchange at <http://www.nyse.com> under the symbol “DHR.” The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This will not be a prediction of what the market price per share will be when the Stock Units and Options vest, Options are exercised, Shares are issued, or of the applicable exchange rate on the actual vesting date, exercise date, or date the Shares are issued.*

## **11. WHAT ADDITIONAL RISK FACTORS APPLY TO AUSTRALIAN RESIDENTS’ PARTICIPATION IN THE PLAN?**

You should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of Shares. For example, the price at which Shares are quoted on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the shares will increase. Factors which may affect the price of Shares include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

In addition, you should be aware that the Australian dollar value of any Shares acquired at vesting or exercise will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

## **12. WHAT ARE AUSTRALIAN TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN?**

This summary outlines the general tax treatment in Australia for Stock Units and Options that may be granted to you by the Company under the Plan. This summary reflects the law in force in Australia as of 1 November 2018. The information in this summary relates to the tax treatment of shares or rights to acquire shares provided under an employee share scheme granted on or after 1 July 2015. Please note that tax laws are complex and change frequently. As a result, the information contained in this summary may be out of date by the time you vest in the Stock Units, exercise Options, receive Shares, or sell Shares you acquire upon vesting of Stock Units and/or exercise of Options.

The following information is a summary of the Australian tax consequences of participating in the Plan for an employee who is an Australian resident for tax purposes and employed in Australia at all material times. This summary does not deal with your taxation treatment if you are not an Australian resident or are a ‘temporary resident’ of Australia for tax purposes, or if you cease to be Australian resident before the Stock Unit vests or the Options are exercised. Special Australian tax rules will apply to those employees, and you should seek specific professional advice based on your own circumstances.



In addition, the information in this document is general in nature. It deals with the general employee position, and does not specifically deal with special circumstances (e.g., if you are eligible for or close to being eligible for retirement on the date of grant of the award). This summary is not intended to serve as tax or investment advice and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation. The Company does not give personal tax or financial advice, nor can the Company assure the accuracy of the information contained herein. Therefore, the information contained herein should not be relied upon by you and is not intended to take the place of consulting with your personal tax advisor.

**(a) What is the effect of the Award of the Stock Units and/or Options?**

The Australian tax legislation contains specific rules, in Division 83A of the *Income Tax Assessment Act 1997*, governing the taxation of shares and rights acquired by employees under employee share schemes (called "ESS interests"). The Stock Units and Options granted under the Plan should be regarded as a right to acquire shares and accordingly, an ESS interest for these purposes.

Your assessable income includes any discount in relation to the acquisition of an ESS interest at grant, unless the ESS interest is subject to a real risk of forfeiture or there is a statement in the Additional Documents that tax deferral is to apply, in which case you will be subject to deferred taxation.

In the case of the Stock Units or Options, the real risk of forfeiture test requires that:

- (i) there must be a real risk that, under the conditions of the Plan, you will forfeit the Stock Units or Options or lose them (other than by disposing of them or in connection with the vesting of the Stock Units or Options); or
- (ii) there must be a real risk that if your Stock Units or Options vest, under the conditions of the Plan, you will forfeit the resulting Shares or lose them other than by disposing of them.

The terms of your Stock Units or Options are set out in the Additional Documents. It is understood that your Stock Units or Options will generally satisfy the real risk of forfeiture test and that you will be subject to deferred taxation (i.e., you generally should not be subject to tax when the Stock Units or Options are granted to you). In addition, the Stock Units and Options are non-transferrable and the relevant Agreement contains a statement that Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Plan, which means that tax deferral is to apply. Accordingly, you should not be subject to tax when the Stock Units or Options are granted to you).

**(b) When will the taxable income from the Stock Units or Options under the Plan be recognized?**

You will be required to include an amount in your assessable income for the income year (i.e., the financial year ending 30 June) in which the earliest of the following events occurs in relation to the Stock Units or Options (the "ESS deferred taxing point"). In addition to income taxes, this amount may also be subject to Medicare Levy and, if applicable, Medicare Levy surcharge.

Your ESS deferred taxing point will be the earliest of the following:

- (i) when there are both no longer any genuine restrictions on the disposal of the Stock Units and/or Options and there is no real risk of you forfeiting the Stock Units and/or Options;
- (ii) when there is no real risk of you forfeiting the Shares acquired at vesting or exercise (as applicable) and there is no genuine restriction on the disposal of the underlying Shares (if such restrictions exist, the taxing point is delayed until they lift); and
- (iii) cessation of employment (to the extent you retain the Stock Units and/or Options), but see Section 12(e)); and
- (iv) 15 years from the date the Options and/or Restricted Stock Units were granted.

Generally, assuming you remain in employment, this means that you will be subject to tax when your Stock Units are settled in shares or you exercise your Options or at the first time after vesting/exercise that any genuine restrictions on disposal of the resulting Shares cease to apply.

Further, the ESS deferred taxing point for your Stock Units and/or Options will be moved to the time you sell the underlying Shares if you sell such Shares within 30 days of the original ESS deferred taxing point (*i.e.*, typically within 30 days of vesting or exercise (as applicable)). If you sell the underlying Shares within 30 days of the original ESS deferred taxing point, you must report the income in the income year in which the sale occurs and not in the income year when the original ESS deferred taxing point occurs, if different.

**(c) What is the amount to be included in your assessable income if an ESS deferred taxing point occurs?**

The amount you must include in your assessable income in the income year in which the ESS deferred taxing point occurs in relation to your Stock Units and/or Options will be the difference between the “market value” of the underlying Shares at the ESS deferred taxing point and the cost basis of the Stock Units (which should be nil because you do not have to pay anything to acquire the Stock Units or the underlying Shares) and/or Options (which should include the exercise price).

If, however, you sell the underlying Shares in an arm’s-length transaction (as generally will be the case provided the Shares are sold through the New York Stock Exchange) within 30 days of the ESS deferred taxing point (*i.e.*, typically when the Stock Units vest and/or the Options are exercised), the amount to be included in your assessable income in the income year in which the sale occurs will be equal to the difference between the sale proceeds and the cost basis of the Stock Units (which should include any incidental costs of sale, *e.g.*, brokerage costs) and/or Options (which should include the exercise price and any incidental costs of sale, *e.g.*, brokerage costs).

**(d) What is the market value of the underlying Shares?**

The “market value” of the underlying Shares at the ESS deferred taxing point is determined according to the ordinary meaning of “market value,” expressed in Australian currency. The Company will determine the market value in accordance with the applicable guidelines prepared by the Australian Tax Office. Since the Shares are publicly traded on the New York Stock Exchange, the “market value” generally will be based on the closing trading price of the Shares on the New York Stock Exchange on the applicable date.

The Company has the obligation to provide you with certain information about your participation in the Plan at certain times, including after the end of the income year in which the ESS deferred taxing point occurs. This may assist you in determining the market value of the underlying Shares. However, this estimate may not be correct if you sell the Shares within 30 days of the vesting and/or exercise date, in which case it is your responsibility to report and pay the appropriate amount of tax based on the sale proceeds.

**(e) What happens if I cease employment before my Options and/or Restricted Stock Units vest?**

If, before vesting, you cease to be employed by the Company and its Subsidiaries and the Stock Units or Options lapses (*i.e.*, the award is forfeited), you will not be liable to pay any tax on the Stock Units or Options. If you cease employment prior to vesting and retain the Stock Units, or if you cease employment prior to exercise and retain your Options, those Stock Units or Options generally will be subject to tax on the date you cease employment.

**(f) When do I recognize taxable income from dividends?**

You will be subject to income tax on any dividends you receive on the Shares you acquire under the Plan.

You will be personally responsible for directly paying and reporting any tax liabilities attributable to dividends to the local tax authorities.

Dividends paid will be subject to U.S. income tax withholding at source. You may be able to claim a reduced rate of U.S. federal income tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. You must have a properly completed U.S. Internal Revenue Service Form W-8BEN on file in order to claim the treaty benefit. You also may be entitled to a tax offset in Australia for the U.S. federal income tax withheld.

**(g) On the date of sale of Shares acquired under the Plan, am I required to recognize a taxable gain or loss upon sale of the Shares? If so,**

- **How is the gain/loss calculated?**
- **What is the character of the gain?**

- **Is the gain subject to taxation at the same rates as ordinary income or at a preferential rate?**

**Shares sold within 30 days of the Original ESS Deferred Taxing Point:** If the Shares are sold within 30 days of the date of the original ESS deferred taxing point (e.g., cessation of employment, vesting or exercise, as the case may be), any gain realized is subject to income tax on the sales proceeds of the Shares sold less the cost base of the Shares (which should include any incremental costs you incur in connection with the sale (e.g., brokers' fees, and should include the exercise price for Options)) and therefore no capital gains tax is due.

**Shares held more than 30 days after the ESS Deferred Taxing Point:** If the Shares are sold more than 30 days after the ESS deferred taxing point (e.g., cessation of employment, vesting or exercise, as the case may be), an additional tax liability may arise on the subsequent disposal of Shares acquired from the Stock Units or Options to the extent such Shares are sold at a gain. Any capital gain is calculated as the sales proceeds (assuming the sale of the Shares occurs in an arm's length transaction, as generally will be the case provided the Shares are sold through the New York Stock Exchange) less the cost base (which should include the market value of the Shares at the ESS deferred taxing point plus any incremental costs you incur in connection with the sale (e.g., brokers' fees)).

The amount of any capital gain you realize must be included in your assessable income for the year in which the Shares are sold. However, if you hold the Shares for at least one (1) year prior to selling (excluding the dates you acquired and sold the Shares), you may be able to apply a discount to the amount of capital gain that you are required to include in your assessable income. If this discount is available, you may calculate the amount of capital gain to be included in your assessable income by first subtracting all available capital losses from your capital gains and then multiplying each capital gain by the discount percentage of 50%.

Tax on the capital gain will be payable at progressive income tax rates, plus the Medicare Levy and, if applicable, surcharge.

If the sale proceeds (where the disposal is an arm's length transaction) of the Shares at the time of disposal is less than the cost base of the Shares, then a capital loss equal to the difference will be available to offset same-year or future-year capital gains. That is, a capital loss cannot be used to offset other income (including salary and wage income).

#### **(h) Withholding and Reporting**

You are responsible for reporting on your tax return and paying any tax liability in connection with your participation in the Plan. Your employer will be required to withhold tax due on the Stock Units and/or Options only if you have not provided your Tax File Number or Australian Business Number (as applicable) to your employer.

However, the Company or your employer must provide you (no later than 14 July after the end of the year) and the Commissioner of Taxation (no later than 14 August after the end of the year) with a statement containing certain information about your participation in the Plan in the income year when the ESS deferred taxing point occurs (typically, in the year of vesting or exercise (as applicable)), including an estimate of the market value of the underlying Shares at the taxing point.

Please note, however, that, if you sell the Shares within 30 days of the original ESS deferred taxing point, your taxing point will be moved to the date of disposal and, if your employer is not aware of the sale, the amount reported by your employer may differ from your actual taxable amount (which would be based on the value of the Shares when sold, rather than at the ESS deferred taxing point). You will be responsible for determining this amount and calculating your tax accordingly.

It is your responsibility to report and pay any tax liability on any dividends received. Tax will not be withheld by either the Company or your employer.

### **13. U.S. TAXATION CONSEQUENCES OF PARTICIPATION IN THE PLAN**

Employees (who are not U.S. citizens or permanent residents) will not be subject to U.S. tax by reason only of the grant of Stock Units and/or Options, the acquisition of Shares at vesting or exercise (as applicable) or the sale of Shares. However, liability for U.S. taxes may accrue if an employee is otherwise subject to U.S. taxes.

The above is an indication only of the likely U.S. taxation consequences for Australian employees awarded Stock Units or Options under the Plan. You should seek your own advice as to the U.S. taxation consequences of your Plan participation.

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You are urged to carefully review the information contained in this Offer Document and the Additional Documents.

DANAHER CORPORATION

## ADDENDUM C

### EMPLOYER INFORMATION STATEMENT – DENMARK RESTRICTED STOCK UNIT GRANT

#### ABEJDSGIVERERKLÆRING

Danaher Corporation (herefter "Selskabet") skal, i overensstemmelse med den danske *Lov om brug af køberet eller tegningsret til aktier m.v. i ansættelsesforhold* (herefter "Loven"), oplyse nedenstående angående tildeling (herefter "Tildelingen") af aktieoptioner (herefter "Optioner") og betingede aktier (Restricted Stock Units) (herefter "RSUer"), som du har modtaget i henhold til Danaher Corporations aktieincitamentsprogram (2007 Stock Incentive Plan) som efterfølgende ændret (herefter "Programmet").

Denne erklæring indeholder de oplysninger, der kræves efter paragraf 3, stk. 1, i Loven. Vilklårene for Tildelingen er beskrevet detaljeret i Programmet, i Selskabets aktieoptionsaftale (Stock Option Agreement) henholdsvis Selskabets aftale om tildeling af RSUer (Restricted Stock Unit Agreement) (herefter hver for sig eller samlet "Tidelingsaftalen") og i tillægget til din ansættelseskontrakt om vilkår for Programmet (herefter "Tillægget"). Programmet, Tidelingsaftalen og Tillægget (herefter samlet "Vilkårene") er stillet til rådighed for dig. Programmet er gældende, hvis der er uoverensstemmelser mellem dette og Tidelingsaftalen eller Tillægget.

#### III. Tildelingstidspunkt

Optionernes tildelingsdato er den dato, hvorpå Selskabets bestyrelse (eller den relevante bestyrelseskomite) (herefter, som relevant, "Bestyrelsen") godkendte Tildelingen og fastsatte, at den skulle gælde fra.

Pr. samme dato er du blevet tildelt RSUer på de vilkår, der følger af Vilkårene.

#### IV. Vilkår for tildelinger

Tildelingen er vedtaget alene efter Bestyrelsens skøn. Bestyrelsen har i sin bedømmelse overvejet en række faktorer, herunder personlige præstationer. Uagtet din personlige præstation og Selskabets fremtidsudsigter kan Selskabet beslutte, alene og efter eget skøn, ikke at tildele Optioner og/eller RSUer til dig i fremtiden. I henhold til betingelserne i Programmet og Tidelingsaftalen giver en konkret Tildeling dig hverken ret til eller krav på at modtage fremtidige tildelinger.

Tildelingen er endvidere betinget af dit afkald på, at tildelinger af købe- eller tegningsrettigheder til aktier mv., som du har modtaget under ansættelse, der ikke er omfattet af dansk ret, i Danaher koncernen, kan være omfattet af Loven. Du har givet sådan afkald i Tillægget.

#### V. Udnyttelsesdato

Optioner og RSUer kan udnyttes i den periode og i overensstemmelse med de betingelser, der er angivet i Vilkårene.

#### VI. Udnyttelsespris

I udnyttelsesperioden kan Optioner udnyttes til at købe aktier i Selskabet til den udnyttelsespris, der er angivet i Tidelingsaftalen vedrørende Optioner.

Du skal ikke betale noget udnyttelsesvederlag, når RSUer modnes og aktier udstedes/overdrages til dig.

#### VII. Rettigheder ved ansættelses ophør

Hvis Loven er gældende for Tildelingen, gælder følgende vilkår for behandlingen af dine Optioner og RSUer ved din ansættelses ophør:

Hvis du fratræder som bad leaver, mister du retten til tildelte Optioner og RSUer, som på fratrædelsestidspunktet endnu ikke er modnet, og du vil ikke være berettiget til fremtidige tildelinger af Optioner og RSUer, hverken helt eller delvist. Rettigheden bortfalder automatisk og uden forudgående varsel ved fratræden.

Du betragtes som en bad leaver, hvis:

- (i) du selv siger op, uden at dette skyldes væsentlig misligholdelse fra arbejdsgiverens side;
- (ii) du opsiges af arbejdsgiveren som følge af misligholdelse fra din side; eller
- (iii) du bortvises af arbejdsgiveren som følge af væsentlig misligholdelse.

Hvis du fratræder som good leaver, opretholdes tildelte Optioner og RSUer på uændrede vilkår, og du vil være berettiget til en i forhold til din ansættelsestid i regnskabsåret forholdsmeæssig andel af den tildeling, som du ville have haft ret til, hvis du havde været ansat ved regnskabsårets afslutning.

Du betragtes som en good leaver, hvis:

- (i) du opsiges, uden at dette skyldes misligholdelse fra din side;
- (ii) du selv siger op som følge af væsentlig misligholdelse fra arbejdsgiverens side; eller
- (iii) ansættelsesforholdet ophører, fordi du har nået arbejdsgiverens pensionsalder, eller hvis du er berettiget til (a) folkepension eller har nået den alder, hvor du ville have været berettiget til folkepension, (b) alderspension fra arbejdsgiveren eller (c) efterløn. Af Tillægget fremgår vilkårene for en mulig kontantkonvertering af Optioner og RSUer.

Hvis dit danske ansættelsesforhold ophører som følge af tiltrædelse i et ansættelsesforhold, der ikke er omfattet af dansk ret, hos en anden virksomhed i Danaher koncernen, vil Loven og ovenstående vilkår i forbindelse med din fratreden herefter ikke være gældende for de i den danske ansættelsesperiode tildelte RSUer eller Optioner, uanset om de er modnede eller ikke. Dette er beskrevet i Tillægget.

#### VIII. Økonomiske aspekter ved deltagelse i Programmet

Tildelingen har ingen umiddelbar økonomisk betydning for dig. Værdien af de rettigheder, som du har under Tildelingsaftalen, og værdien af de aktier, som du køber gennem udnyttelse af Optioner, samt værdien af RSUer, tages der ikke hensyn til, når der skal beregnes feriegodtgørelse, ferietillæg eller andre tillæg eller kompensationer fastsat ved lov eller aftale, som helt eller delvist udmåles på baggrund af lønnen.

Aktier er finansielle instrumenter, og en investering i aktier indebærer altid en økonomisk risiko. Muligheden for fortjeneste på det tidspunkt, hvor du sælger aktier, afhænger af Selskabets økonomiske præstation og dets fremtidsudsigter samt andre faktorer som f.eks. den generelle økonomiske situation og situationen i de finansielle markeder. Værdien af Selskabets ordinære aktier, som du måtte købe ved at udnytte Optioner, eller få på baggrund af RSUer, kan gå både op og ned.

Selskabets ordinære aktiers tidligere opnåede resultater siger ikke nødvendigvis noget om, hvordan de klarer sig fremover. Der udstedes ikke nogen garantier om, at aktier, du køber ved at udnytte Optioner, eller modtager på baggrund af RSUer, stiger i værdi eller bevarer den værdi, som de havde, da de blev købt/modtaget.

Du er i sidste instans selv ansvarlig for overholdelse af forpligtelser mht. indkomstskat, sociale afgifter/forsikringer eller andre skattemæssige indeholdelser (herefter "Skatteforpligtelser ") i forbindelse med Tildelingen eller udnyttelsen heraf. Ved accept af Tildelingen giver du tilladelse til, at Selskabet og dets datterselskaber indeholder i overensstemmelse med alle gældende Skatteforpligtelser, vedrørende beløb, som du er juridisk forpligtiget til at betale af løn eller af anden kompensation udbetalt af Selskabet eller dets datterselskaber, eller af provenu fra aktiesalg.

DANAHER CORPORATION

## ADDENDUM D

### PERSONAL DATA (PRIVACY) ORDINANCE

#### PERSONAL INFORMATION COLLECTION STATEMENT – HONG KONG

As part of its responsibilities in relation to the collection, holding, processing or use of the personal data of employees under the Personal Data (Privacy) Ordinance, the Danaher Corporation and its subsidiaries (the “Company”) and the Participant’s Hong Kong employer, as applicable, (the “Hong Kong Employer”) hereby is providing the Participant with the following information.

#### **Purpose**

From time to time, it is necessary for the Participant to provide the Company and the Hong Kong Employer with the Participant’s personal data for purposes related to the Participant’s employment and the grant of equity compensation awards by the Company to the Participant under the Plan, as amended and restated and any other equity compensation plan that may be established by the Company (collectively, the “Plan”), as well as managing the Participant’s ongoing participation in the Plan and for other purposes directly relating thereunder.

#### **Transfer of Personal Data**

Personal data will be kept confidential but, subject to the provisions of any applicable law, may be:

- Made available to appropriate persons at the Company around the world (and the Participant hereby consents to the transfer of the Participant’s data outside of Hong Kong);
- Supplied to any agent, contractor or third party who provides administrative or other services to the Company and/or the Hong Kong Employer or elsewhere and who has a duty of confidentiality (examples of such persons include, but are not limited to, any third party brokers or administrators engaged by the Company in relation to the Plan, external auditors, trustees, insurance companies, actuaries and any consultants/agents appointed by the Company and/or the Hong Kong Employer to plan, provide and/or administer employee benefits and awards granted under the Plan);
- Disclosed to any government departments or other appropriate governmental or regulatory authorities in Hong Kong or elsewhere such as the Inland Revenue Department and the Labour Department;
- Made available to any actual or proposed purchaser of all or part of the business of the Company or the Hong Kong Employer, in the case of any merger, acquisition or other public offering, the purchaser or subscriber for shares in the Company or the Hong Kong Employer; and
- Made available to third parties in the form of marketing materials and/or directories identifying the names, office telephone numbers, email addresses and/or other contact information for key officers, senior employees and their secretaries, assistants and support staff of the Company or the Hong Kong Employer for promotional and administrative purposes.

Transfer of the Participant’s personal data in connection with the Plan will only be made for one or more of the purposes specified above.

#### **Access and Correction of Personal Data**

Under the Personal Data (Privacy) Ordinance, the Participant has the right to ascertain whether the Hong Kong Employer holds the Participant’s personal data, to obtain a copy of the data, and to correct any data that is inaccurate. The Participant may also request the Hong Kong Employer to inform the Participant of the type of personal data that it holds.

Requests for access and correction or for information regarding policies and practices and kinds of data in connection with the Plan should be addressed in writing to:

**Danaher’s Corporate Compensation department at the headquarters address of Danaher Corporation set forth above**

A small fee may be charged to offset our administrative costs in complying with the Participant’s access requests.

Nothing in this statement shall limit the rights of the Participant under the Personal Data (Privacy) Ordinance.

The Participant's signature set forth on the signature page of this Agreement represents the Participant's acknowledgement of the terms contained herein.

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**DANAHER CORPORATION & SUBSIDIARIES  
EXECUTIVE DEFERRED INCENTIVE PROGRAM**

**AMENDED AND RESTATED AS OF JANUARY 1, 2019**

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## **DANAHER CORPORATION & SUBSIDIARIES EXECUTIVE DEFERRED INCENTIVE PROGRAM**

WHEREAS, the Plan Sponsor established this Plan, effective as of March 1, 1995, to further the long-term growth of the Plan Sponsor and its subsidiary Employers by offering deferred compensation in addition to current compensation to a select group of management and highly compensated employees of the Plan Sponsor and its subsidiary Employers who are involved in such growth; and

WHEREAS, under Section 7.1 of this Plan, the Plan Sponsor has reserved unto itself the right to amend this Plan; and

WHEREAS, the Plan Sponsor previously amended this Plan effective January 1, 1997; and

WHEREAS, the Plan Sponsor previously amended and restated this Plan, generally effective as of August 1, 2003, by modifying the Plan's design to provide a more competitive retirement benefit for the select group of management and highly compensated employees of the Plan Sponsor and its subsidiary Employers; and

WHEREAS, the Plan Sponsor again amended and restated this Plan, generally effective as of May 15, 2007, except as otherwise provided, by (i) increasing the number of shares of Common Stock available for issuance hereunder, and (ii) incorporating appropriate anti-dilution provisions to ensure that going forward, the amount of shares of Common Stock available for issuance hereunder is not proportionately reduced as a result of stock splits or other adjustments to the Plan Sponsor's capital stock; and

WHEREAS, the Plan Sponsor previously amended and restated this Plan effective as of January 1, 2008, to comply with Code Section 409A and all formal regulations, rulings, and guidance issued thereunder, as subsequently amended from time to time; and

WHEREAS, the Plan Sponsor previously amended and restated this Plan, generally effective as of September 12, 2016, to reflect the increase in the number of shares of Common Stock available for issuance and restate the then-current Plan restatement and all subsequent amendments thereto as a single document; and

WHEREAS, the Plan Sponsor previously amended and restated this Plan, effective as of January 1, 2019, to (i) close the Plan to new Participants, (ii) prohibit elective deferrals in the Plan with respect to amounts earned after December 31, 2018, (iii) provide that Participants who affirmatively elect to receive employer credits under the Danaher Excess Contribution Program as Established as a Sub-Plan under the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated, will not be eligible to receive Performance Shares under this Plan after December 31, 2018, and (iv) make certain administrative clarifications and changes; and

WHEREAS, the Plan Sponsor now desires to amend and restate this Plan, effective as of January 1, 2019, to permit the Plan Sponsor to make discretionary credits to certain Plan participants' accounts from time to time.

NOW, THEREFORE, in order to accomplish such purpose, the Plan Sponsor has adopted, by appropriate resolutions, this amended and restated Plan effective as of January 1, 2019. It is intended that this Plan, together with the Trust Agreement, shall be unfunded for purposes of the Code and shall constitute an unfunded pension plan maintained for a select group of management and highly compensated employees for purposes of Title I of ERISA.

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ARTICLE I  
DEFINITIONS

As used in this Plan, each of the following terms shall have the respective meaning set forth below unless a different meaning is plainly required by the content.

1.1 Administrator. The individual or committee appointed by the Plan Sponsor to administer the Plan pursuant to Article V.

1.2 Applicable Percentage. With respect to a Participant for a Performance Cycle, the applicable percentage determined from the table in Appendix A depending on (a) the Participant's Target Compensation for the Performance Cycle and (b) the Participant's exact age on the Cycle Beginning Date or, if later, the Participant's Participation Date. Effective January 1, 2004, with respect to a Participant for a Performance Cycle beginning on or after January 1, 2004, the applicable percentage determined from the table in Appendix A depending on the Participant's Years of Participation as of the Cycle Beginning Date.

1.3 Beneficiary. An individual or entity entitled to receive any benefits under this Plan that are payable upon a Participant's death.

1.4 Benefit Account. With respect to a Participant, the account maintained on behalf of the Participant to record any Benefit Amounts and Performance Shares credited thereto or forfeited therefrom, any earnings credited thereto and any losses debited therefrom in accordance with the terms of this Plan. Amounts credited to this account on a Participant's behalf on and after January 1, 2013 with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be recorded by Class Year pursuant to Section 9.4.

1.5 Benefit Amount. With respect to a Participant for a Performance Cycle, the Performance Shares credited pursuant to Section 3.4 and any dollar amounts calculated and credited pursuant to Section 3.4.

1.6 Bonus. With respect to a Participant for a Plan Year, the amount (if any) of the Participant's Target Bonus for the Plan Year that shall be determined to have been earned by the Participant in accordance with the Plan Sponsor's bonus program, excluding any amount thereof that shall be contributed on the Participant's behalf as a Salary Deferral Contribution to the 401(k) Plan.

1.7 Bonus Deferral Amount. With respect to a Participant for a Plan Year, an amount of the Participant's Target Bonus or Bonus for the last preceding Plan Year that the Participant has elected to defer pursuant to Section 3.3.

1.7A Class Year. Each period commencing on January 1st and ending on December 31st shall be considered a separate "Class Year;" the first Class Year commencing on January 1, 2013 and ending on December 31, 2013 shall be referred to as the "Class Year 2013;" the second Class Year commencing on January 1, 2014 and ending on December 31, 2014 shall be referred to as the "Class Year 2014;" and continuing thereafter each January 1st.

1.8 Code. The Internal Revenue Code of 1986, as it may be amended from time to time.

1.9 Common Stock. The common stock of the Plan Sponsor.

1.10 Common Stock Price. With respect to a specified date as of which the price of shares of Common Stock shall be determined, the closing sale price on that date or, if the given date is not a trading day, the closing sale price for the immediately preceding trading day. Notwithstanding the foregoing, with respect to the calculation of any Option Gain with respect to any Options exercised by a Participant and the crediting of any Gain Shares to a Participant's Option Shares Account, the Common Stock Price determined as of any time shall be the most recent closing price on the New York Stock Exchange of one (1) share of Common Stock. Solely for purposes of documenting administrative practice under the terms of the Plan, in determining the Common Stock Price under this Section 1.10 of the Plan, the terms "closing price on the New York Stock Exchange" and "most recent closing price on the New York Stock Exchange" shall not be construed to mean the adjusted closing price on the New York Stock Exchange.

1.11 Cycle Beginning Date. With respect to a Performance Cycle, the first (1st) day of the Performance Cycle.

1.12 Cycle Ending Date. With respect to a Performance Cycle, the last day of the Performance Cycle or, if earlier, the date during the Performance Cycle as of which this Plan shall terminate.

1.13 Deferral Account. With respect to a Participant, the account (if any) maintained on behalf of the Participant to record the Salary Deferral Amounts (if any) and Bonus Deferral Amounts (if any) that have been credited on the Participant's behalf and any earnings credited thereto in accordance with the terms of this Plan. Amounts credited to this account on a Participant's behalf on and after January 1, 2013 with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be recorded by Class Year pursuant to Section 9.4.

1.13A Discretionary Share Account. With respect to a Participant, the account maintained on behalf of the Participant to record the Performance Shares (if any) that have been credited to the Discretionary Share Account on the Participant's behalf, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan.

1.14 Distributable Amount. With respect to any specified date coincident with or subsequent to the Eligibility Termination Date of a Participant or a deceased Participant, the balance (if any) as of the specified date in the Participant's Distribution Account (subsequent to any crediting thereof pursuant to Section 3.6 as of such Eligibility Termination Date).

1.15 Distribution Account. With respect to a Participant, the account (if any) maintained on behalf of the Participant to record the amounts to be distributed to the Participant or his or her Beneficiary or Beneficiaries and any earnings credited thereto in accordance with the terms of this Plan. Amounts credited to this account on a Participant's behalf on and after January 1, 2013 with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be recorded by Class Year pursuant to Section 9.4.

1.16 Distribution Date. With respect to a Participant or a deceased Participant whose Employment Termination Date has occurred, the date as of which the Distributable Amount and the Participant's Option Shares Account shall be paid to the Participant or the deceased Participant's Beneficiary or Beneficiaries, as applicable, or the date as of which the first (1st) installment of the Distributable Amount and the Participant's Option Shares Account shall be paid to the Participant.

1.17 Dividend Share. One (1) Notional Share credited to a Participant's Option Shares Account pursuant to Section 3.2.

1.18 ERISA. The Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.19 Earnings Credit. With respect to a Participant, a nominal amount determined pursuant to Sections 3.3(f), 3.4(d), 3.5(b), and 3.6(b) of this Plan for crediting to or deducting from the Participant's Deferral Account, Benefit Account, Rollover Account, Discretionary Share Account and Distribution Account pursuant to Sections 3.3(f), 3.4(d), 3.5(b), and 3.6(b) respectively, of this Plan; provided, however, that, notwithstanding the foregoing, the Plan Sponsor acknowledges that increases and decreases in the value of the Notional Shares and other amounts credited to any of the aforementioned Accounts that are invested in the Common Stock investment option shall arise from increases and decreases in the value of Common Stock rather than from the crediting of earnings. Notwithstanding any provision of the Plan to the contrary and pursuant to Section 9.4, notional amounts described in this Section shall be recorded by Class Year under each of a Participant's Deferral Account, Benefit Account, Rollover Account, Discretionary Share Account and Distribution Account with respect to amounts credited to such Accounts for Plan Years beginning on or after January 1, 2013.

1.20 Earnings Crediting Rate. With respect to a Participant, the rate at which nominal earnings shall be credited to, or nominal losses shall be deducted from, all or a designated portion of the Participant's Deferral Account, Benefit Account, Rollover Account, Discretionary Share Account and Distribution Account, as determined pursuant to Sections 3.3, 3.4, 3.5, and 3.6 respectively, of this Plan; provided, however, that, notwithstanding the foregoing, the Plan Sponsor acknowledges that increases and decreases in the value of the Notional Shares and other amounts credited to any of the aforementioned Accounts that are invested in the Common Stock investment option shall arise from increases and decreases in the value of Common Stock rather than from the crediting of earnings. Notwithstanding any provision of the Plan to the contrary and pursuant to Section 9.4, the rate at which nominal earnings shall be credited to, or nominal losses shall be deducted from, all or a designated portion of the Participant's Deferral Account, Benefit Account, Rollover Account, Discretionary Share Account and Distribution Account shall be administered on the basis of Class Year with respect to amounts credited to such Accounts for Plan Years beginning on or after January 1, 2013.

1.21 Effective Date. January 1, 2019, except as otherwise provided. The original effective date of this Plan is March 1, 1995.

1.22 Eligible Compensation.

(a) Cycle Beginning Date Prior to January 1, 2004. With respect to a Participant for a Performance Cycle beginning prior to January 1, 2004:

(i) Eligible Employee on Cycle Beginning Date. If the Participant's Participation Date occurs on or before the Cycle Beginning Date of the Performance Cycle and the Participant is an Eligible Employee on such Cycle Beginning Date, the product (rounded to two (2) decimal places) of (i) the Applicable Percentage, (ii) PV Factor 1+2+3, and (iii) the Participant's Target Compensation.

(ii) Eligible Employee After Cycle Beginning Date. If the Participant's Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the Performance Cycle, the product (rounded to two (2) decimal places) of the Applicable Percentage and the amount determined in accordance with Paragraphs (i) through (iii) below, as applicable, depending on the Plan Year in the Performance Cycle during which the Participant's Participation Date occurs:

(A) First Plan Year. If the Participant's Participation Date occurs during the first (1st) Plan Year in the Performance Cycle, such amount shall equal the sum of (A) the product of (I) PV Factor 0 based on the Months Factor, (II) the Participant's Target Compensation, (III) the Months Factor, and (IV) one-twelfth (1/12) and (B) the product of (I) PV Factor 1+2 and (II) the Participant's Target Compensation.

(B) Second Plan Year. If the Participant's Participation Date occurs during the second (2nd) Plan Year in the Performance Cycle, such amount shall equal the sum of (A) the product of (I) PV Factor 0 based on the Months Factor, (II) the Participant's Target Compensation, (III) the Months Factor, and (IV) one-twelfth (1/12) and (B) the product of (I) PV Factor 1 and (II) the Participant's Target Compensation.

(C) Third Plan Year. If the Participant's Participation Date occurs during the third (3rd) Plan Year in the Performance Cycle, such amount shall equal the product of (A) PV Factor 0 based on the Months Factor, (B) the Participant's Target Compensation, (C) the Months Factor, and (D) one-twelfth (1/12).

(b) Cycle Beginning Date on or After January 1, 2004. With respect to a Participant for a Performance Cycle beginning on or after January 1, 2004:

(i) Eligible Employee on Cycle Beginning Date. If the Participant's Participation Date occurs on or before the Cycle Beginning Date of the Performance Cycle and the Participant is an Eligible Employee on such Cycle Beginning Date, the product (rounded to two (2) decimal places) of (I) the Applicable Percentage and (II) the Participant's Target Compensation.

(ii) Eligible Employee After Cycle Beginning Date. If the Participant's Participation Date occurs after the Cycle Beginning Date but during the Performance Cycle, the product (rounded to two (2) decimal places) of (I) the Applicable Percentage, (II) the Participant's Target Compensation, and (III) the Months Factor for the month in which the Participant's Participation Date occurs.

1.23 Eligible Employee. (a) An Employee who was hired on or before January 1, 1995, and who is an Initial Participant, (b) an Employee who was hired after January 1, 1995, and whose employment position is listed in the records prepared and maintained by the Administrator, or (c) effective on and after January 1, 1998, an Employee who is a Rollover Participant. Notwithstanding the foregoing sentence, the Administrator, in his or her sole discretion, may determine that an Employee who was hired on or before January 1, 1995, and who is not an Initial Participant shall become an Eligible Employee under such circumstances as the Administrator, in his or her sole discretion, may deem appropriate so long as the Employee has an employment position that is listed in the records prepared and maintained by the Administrator. Notwithstanding anything to the contrary herein, an individual who was not an Eligible Employee on December 31, 2018 may not become an Eligible Employee after December 31, 2018.

1.24 Eligibility Termination Date. With respect to a Participant who is an Eligible Employee, the earliest of (a) the Participant's Employment Termination Date, or (b) the date that the Participant is no longer an Eligible Employee as defined in Section 1.23(b).

1.25 Employee. An individual who performs services for an Employer.

1.26 Employer. (a) The Plan Sponsor or (b) an employer that is a member of the Plan Sponsor's "controlled group of corporations, trades, or businesses," as such term shall be defined in Code Sections 414(b) and 414(c), and that has adopted this Plan by executing an adoption agreement with the Plan Sponsor, the terms of which shall thereupon be incorporated by reference as a part of the Plan.

1.27 Employment Termination Date. With respect to a Participant, the earlier of the date that the Participant ceases being an Employee or the date as of which this Plan is terminated. Notwithstanding the foregoing, with respect to any Section 409A Amount of a Participant, the Participant's "Employment Termination Date" shall be the date that the Participant separates from service with all Employers, whether by death, retirement, or other termination of employment, in a manner consistent with the definition in Treas. Reg. Section 1.409A-1(h).

1.28 Gain Share. One (1) Notional Share credited to a Participant's Option Shares Account pursuant to Section 3.2(d).

1.29 Grandfathered Amount. With respect to a Participant, any portion of the following account balances that was vested as of December 31, 2004: the Performance Shares Account, the Benefit Account, the Option Shares Account, the Deferral Account, the Rollover Account, and the Distribution Account; and any earnings credited thereto and any losses deducted therefrom on or after January 1, 2005, in accordance with the terms of the Plan.

1.30 Identification Date. December 31, 2007, and December 31 of each calendar year thereafter.

1.31 Initial Participant. An Employee who became a Participant as of March 1, 1995, and is designated as an initial participant in the records prepared and maintained by the Administrator.

1.32 Long-term Rate. With respect to a Performance Cycle, the closing price of the ten (10)-year Treasury bond rate on the business day last preceding the Cycle Beginning Date of the Performance Cycle or such other long-term interest rate as shall be determined for the remainder of the Performance Cycle by the Administrator in his or her sole discretion.

1.33 Months Factor. With respect to a Performance Cycle and a Participant whose Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the Performance Cycle, the number of months between the Participant's Participation Date and the last day of the Plan Year during such Performance Cycle in which his or her Participation Date occurred as provided in Appendix B.

1.33A NetScout Acquired Participant. A Participant who is an Employee of Arbor Networks Inc. or Tektronix Texas LLC as of July 13, 2015 who ceases to be employed by an Employer as a result of the merger of Potomac Holding LLC with and into a subsidiary owned by NetScout Systems, Inc. on or about July 14, 2015.

1.34 Notional Share. One (1) notional share equivalent in value to one (1) share of Common Stock.

1.35 Option. With respect to a Participant, a nonqualified stock option in which the Participant is vested under any stock option plan maintained by the Plan Sponsor.

1.36 Option Exercise Date. With respect to Options held by a Participant, the date (if any) as of which the Participant exercises the Options.

1.37 Option Gain. With respect to the Options exercised by a Participant as of an Option Exercise Date, the product of (a) the number of Options exercised and (b) the difference between (i) the Common Stock Price on the Option Exercise Date and (ii) the exercise price per share of Common Stock.

1.38 Option Shares Account. With respect to a Participant, the account (if any) maintained on behalf of the Participant to record any Gain Shares and any Dividend Shares that have been credited on his or her behalf under this Plan.

1.39 PV Factor 0. With respect to a Performance Cycle with a Cycle Beginning Date before January 1, 2004, and a Participant whose Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the Performance Cycle, a present value factor applicable in determining the Participant's Eligible Compensation for the Performance Cycle, which shall be (a) the factor provided in Appendix B based on the applicable Months Factor and an interest rate of eight percent (8%) per annum, compounded annually, or (b) such other factor as shall be similarly calculated as shall be determined by the Administrator in his or her sole discretion.

1.40 PV Factor 1. With respect to a Performance Cycle with a Cycle Beginning Date before January 1, 2004, and a Participant whose Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the second (2nd) Plan Year during the Performance Cycle, a present value factor applicable in determining the Participant's Eligible Compensation for the Performance Cycle, which shall be (a) the factor provided in Appendix B based on an interest rate of eight percent (8%) per annum, compounded annually, or (b) such other factor as shall be similarly calculated as shall be determined by the Administrator in his or her sole discretion.

1.41 PV Factor 1+2. With respect to a Performance Cycle with a Cycle Beginning Date before January 1, 2004, and a Participant whose Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the first (1st) Plan Year during the Performance Cycle, a present value factor applicable in determining the Participant's Eligible Compensation for the Performance Cycle, which shall be (a) the factor provided in Appendix B based on an interest rate of eight percent (8%) per annum, compounded annually, or (b) such other factor as shall be similarly calculated as shall be determined by the Administrator in his or her sole discretion.

1.42 PV Factor 1+2+3. With respect to a Performance Cycle with a Cycle Beginning Date before January 1, 2004, and a Participant whose Participation Date occurs on or before the Cycle Beginning Date of the Performance Cycle, a present value factor applicable in determining the Participant's Eligible Compensation for the Performance Cycle, which shall be (a) the factor provided in Appendix B based on an interest rate of eight percent (8%) per annum, compounded annually, or (b) such other factor as shall be similarly calculated as shall be determined by the Administrator in his or her sole discretion.

1.43 Participant. An Eligible Employee or former Eligible Employee who is participating in this Plan pursuant to Article II.

1.44 Participation Date. With respect to an Eligible Employee, the date (if any) as of which the Eligible Employee shall become a Participant as determined pursuant to Section 2.1.

1.45 Payroll Period. With respect to an Eligible Employee, a period with respect to which the Eligible Employee receives a pay check or otherwise is paid for services that he or she performs during the period for an Employer.

1.46 Pension Plan. Danaher Corporation & Subsidiaries Pension Plan or any successor plan thereto, as it may be amended from time to time.

1.47 Performance Cycle. The three (3) consecutive Plan Years beginning on March 1, 1995 or any successive period of three (3) consecutive Plan Years. Effective January 1, 2004, a period of one (1) Plan Year.

1.48 Performance Share. One (1) Notional Share.

1.49 Performance Shares Account. With respect to a Participant, the account maintained on behalf of the Participant to record the Performance Shares (if any) that have been credited on the Participant's behalf for a Performance Cycle. Amounts credited to this account on a Participant's behalf on and after January 1, 2013 with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be recorded by Class Year pursuant to Section 9.4.

1.50 Plan. Danaher Corporation & Subsidiaries Executive Deferred Incentive Program, as it is set forth herein and as it may be amended from time to time.

1.51 Plan Sponsor. Danaher Corporation.

1.52 Plan Year. The period beginning on March 1, 1995 and ending on December 31, 1995, or a calendar year beginning on or after January 1, 1996.

1.53 Rollover Account. With respect to a Rollover Participant, the account (if any) maintained on behalf of the Rollover Participant to record the Rollover Amount (if any) that has been credited on the Rollover Participant's behalf and any earnings credited thereto in accordance with the terms of this Plan. Amounts credited to this account on a Participant's behalf on and after January 1, 2013 with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be recorded by Class Year pursuant to Section 9.4.

1.54 Rollover Amount. With respect to a Rollover Participant, the nonforfeitable dollar amount as of a specified date that the Administrator has permitted to be credited under this Plan pursuant to Section 3.5 of this Plan.

1.55 Rollover Participant. An Employee who elects to transfer to this Plan a nonforfeitable dollar amount previously granted to the Employee under another arrangement maintained by an employer as permitted by the Administrator in his or her sole discretion.

1.56 Salary. With respect to a Participant for a Payroll Period, the total cash compensation (if any) that is payable to the Participant by any Employer during the Payroll Period and that would be reportable on the Participant's federal income tax withholding statement (Form W-2), including, but not limited to, salary and overtime pay, but excluding

any Bonus that is payable to the Participant during the Payroll Period, severance benefits, and any amount of such cash compensation that shall be contributed on the Participant's behalf as a Salary Deferral Contribution to the 401(k) Plan, plus remuneration as defined in Code Section 3401(a)(8)(A) to the extent not otherwise reported on the Participant's Form W-2 (excluding housing, COLA, tax equalization, hardship and special allowances). Solely for purposes of documenting administrative practice under the terms of the Plan, under this Section 1.56 of the Plan, any hiring bonus paid to a Participant for a Payroll Period may be considered to be part of the Salary that is payable to the Participant by any Employer for the Payroll Period.

1.57 Salary Deferral Amount. With respect to a Participant for a Plan Year, an amount of the Participant's Salary for a Payroll Period during the Plan Year that the Participant has elected to defer pursuant to Section 3.3.

1.58 Salary Deferral Contribution. The term "Salary Deferral Contribution" shall be defined in this Plan as it shall be defined in the 401(k) Plan.

1.59 Section 409A Amount. With respect to a Participant, any of the following amounts: (I) the portion of the Participant's Benefit Account that is unvested as of December 31, 2004 (if any), determined as the product of (I) the balance in the Participant's Benefit Account as of December 31, 2004 and (II) the difference between one hundred percent (100%) and the applicable Vesting Percentage attributable to the Participant's Benefit Amounts as of December 31, 2004, determined in accordance with Section 3.4(e)(iii) of the Plan, and any earnings credited thereto and any losses deducted therefrom on or after January 1, 2005 in accordance with the terms of the Plan; and (2) any and all Benefit Amounts, Bonus Deferral Amounts, Salary Deferral Amounts, Performance Shares, and Rollover Amounts that in accordance with the terms of the Plan are credited on the Participant's behalf on and after January 1, 2005, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan (as well as any Distribution Amounts attributable to the amounts described in this subsection (2)). Any Rollover Amount credited on behalf of a Rollover Participant on or after January 1, 2005 shall be not deemed to be a Section 409A Amount to the extent expressly provided in connection with any merger or consolidation of a nonqualified deferred compensation plan (as defined in Code Section 409A) with and into this Plan. A Participant's Section 409A Amounts attributable to Plan Years commencing on or after January 1, 2013 shall be determined on the basis of Class Year, and with respect to each Class Year, the aggregate of his or her Salary Deferral Amount (if any), Bonus Deferral Amount (if any), and Benefit Amount (if any) for each Class Year, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be deemed a separate Section 409A Amount for purposes of this Plan.

1.60 Specified Employee. An Employee who is a "key employee" as such term is defined in Code Section 416(i) without regard to Code Section 416(i)(5). For purposes of determining which Employees are key employees, an Employee is a key employee if the Employee meets the requirements of Code Section 416(i)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code Section 416(i)(5)) at any time during the 12-month period ending on an Identification Date; provided, however, that all Employees who are nonresident aliens during the entire 12-month period ending with the relevant Identification Date shall be excluded in any such determination.

1.61 Target Bonus. With respect to a Participant for a Plan Year, the target bonus (if any) that may be earned by the Participant for the Plan Year as determined in accordance with the Plan Sponsor's bonus program applicable to such Participant as from time to time in effect.

1.62 Target Compensation. With respect to a Participant for a Performance Cycle, the sum of (a) the Participant's annual base salary for the first (1st) Plan Year in the Performance Cycle or, if later, the Plan Year in the Performance Cycle during which the Participant's Participation Date occurs and (b) the Participant's Target Bonus for the same such Plan Year. Effective January 1, 2004, with respect to a Participant for a Performance Cycle, the sum of (a) the Participant's annual base salary for the Performance Cycle and (b) the Participant's Target Bonus for the same such Performance Cycle.

1.63 Trust Agreement. Trust Agreement for the Danaher Corporation & Subsidiaries Executive Deferred Incentive Program, as it may be amended from time to time.

1.64 Valuation Date. The monthly or other more frequent periodic date selected by the Administrator to value Benefit Accounts, Deferral Accounts, Rollover Accounts, Discretionary Share Accounts and Distribution Accounts; provided, however, that the first Valuation Date shall be August 1, 2003. With respect to a Participant whose Eligibility Termination Date does not coincide with a Valuation Date defined in the preceding sentence, the Participant's Eligibility Termination Date shall be deemed a Valuation Date solely with respect to that Participant.

1.65 Valuation Period. A period beginning on a Valuation Date and ending on the day before the next succeeding Valuation Date.

1.66 Vesting Percentage. With respect to a Benefit Amount and Performance Shares credited to a Participant's Benefit Account, the percentage to be applied to such Benefit Amount and Performance Shares to determine the amount thereof to which the Participant shall have a nonforfeitable right, subject to any provision to the contrary in Section 3.4 or 5.9 or the Trust Agreement.

1.67 Vesting Year of Participation. Effective January 1, 2004, with respect to a Participant other than a Rollover Participant, a twelve (12)-consecutive month period beginning on (A) the later of (i) January 1, 2004 or (ii) the Participant's Participation Date, or (B) an anniversary thereof during which the Participant remains an Eligible Employee, where the term "Eligible Employee" shall be defined only as in Sections 1.23(a) and (b) of this Plan; provided, however, that, in the case of a Participant who shall be absent from employment with an Employer for any reason for more than six (6) consecutive weeks, unless otherwise determined by the Administrator in his or her sole discretion, the Participant shall not be deemed to have remained an Eligible Employee for purposes of this Section and the date as of which any future Years of Participation shall be determined for the Participant shall begin on the date of his or her return (if any) from such absence.

1.68 Year of Participation. With respect to a Participant other than a Rollover Participant, (i) the ten (10)-consecutive month period beginning on March 1, 1995, and (ii) a twelve (12)-consecutive month period beginning on (A) the Participant's Participation Date, or (B) an anniversary thereof during which the Participant remains an Eligible Employee, where the term "Eligible Employee" shall be defined only as in Sections 1.23(a) and (b) of this Plan; provided, however, that, in the case of a Participant who shall be absent from employment with an Employer for any reason for more than six (6) consecutive weeks, unless otherwise determined by the Administrator in his or her sole discretion, the Participant shall not be deemed to have remained an Eligible Employee for purposes of this Section and the date as of which any future Years of Participation shall be determined for the Participant shall begin on the date of his or her return (if any) from such absence.

1.69 Year of Service. With respect to a Participant, a twelve (12)-consecutive month period beginning on the Participant's employment date with an Employer or an anniversary thereof during which the Participant remains an Employee; provided, however, that, in the case of a Participant who shall be absent from employment with an Employer for any reason for more than six (6) consecutive weeks, unless otherwise determined by the Administrator in his or her sole discretion, the Participant shall not be deemed to have remained an Employee for purposes of this Section and the date as of which any future Years of Service shall be determined for the Participant shall begin on the date of his or her return (if any) from such absence.

1.70 401(k) Plan. Danaher Corporation & Subsidiaries Savings Plan or any successor thereto, as it may be amended from time to time.



## ARTICLE II

### PARTICIPATION

2.1 Commencement of Participation. An Eligible Employee who is an Initial Participant may become a Participant as of March 1, 1995, and any other Eligible Employee may become a Participant as of the date that is the first (1st) day of a month and that coincides with or follows the later of March 1, 1995, or the date that the individual became an Eligible Employee; provided that the Eligible Employee completes an enrollment form and files it with the Administrator within the time period specified by the Administrator. Notwithstanding anything to the contrary herein, an individual who was not a Participant on December 31, 2018 may not become a Participant after December 31, 2018.

2.2 Termination of Participation.

(a) Participant Ceases Being an Eligible Employee. A Participant who ceases being an Eligible Employee but remains an Employee shall cease being a Participant as of his or her Eligibility Termination Date if the Participant's Distributable Amount as of such date (as determined subsequent to any crediting of his or her Distribution Account pursuant to Section 3.6 as of such date) equals zero (0) and his or her Option Shares Account (if any) has a zero (0) balance.

(b) Participant Ceases Being an Employee. A Participant who ceases being an Employee shall cease being a Participant as of the earlier of the Participant's date of death or the date as of which the Participant's Distributable Amount (as determined subsequent to any crediting of his or her Distribution Account pursuant to Section 3.6 as of his or her Eligibility Termination Date) equals zero (0) and his or her Option Shares Account (if any) has a zero (0) balance.

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ARTICLE III  
ACCOUNTS AND VESTING

3.1 Performance Share Accounts.

(a) Award of Performance Shares. With respect to each Performance Cycle, the Administrator shall credit Participants' Performance Shares Accounts with Performance Shares in accordance with the following:

(i) Eligible Employee on Cycle Beginning Date. With respect to each Participant whose Participation Date occurred on or before the Cycle Beginning Date of the Performance Cycle, if the Participant shall be an Eligible Employee on the Cycle Beginning Date, the Administrator shall credit the Participant's Performance Shares Account as of February 1 of the Performance Cycle (but subsequent to any zeroing of such account pursuant to Section 3.4) with a number of Performance Shares equal to the quotient (rounded up to the next whole number) of (A) the Participant's Eligible Compensation and (B) the Common Stock Price as of the Cycle Beginning Date. For Performance Cycles commencing prior to January 1, 2019, such Performance Shares were credited as of the Cycle Beginning Date (but subsequent to any zeroing of such account pursuant to Section 3.4).

(ii) Eligible Employee After Cycle Beginning Date. With respect to each Participant whose Participation Date occurs after the Cycle Beginning Date of the Performance Cycle but during the Performance Cycle, the Administrator shall credit the Participant's Performance Shares Account as of his or her Participation Date with a number of Performance Shares equal to the quotient (rounded up to the next whole number) of (A) the Participant's Eligible Compensation and (B) the Common Stock Price as of the Participant's Participation Date.

Notwithstanding anything to the contrary herein, the Administrator shall not credit a Participant's Performance Shares Account with any Performance Shares with respect to any Performance Cycle commencing after December 31, 2018 if such Participant has affirmatively elected to receive employer credits under the Danaher Excess Contribution Program as Established as a Sub-Plan under the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated. A Participant who has an Employment Termination Date and is rehired by an Employer after December 31, 2018 shall not be eligible for Performance Shares after the Participant's rehire date.

(b) Limitations With Respect To Performance Shares.

(i) No Shareholder Rights. A Performance Share has no legal relation to a share of Common Stock and, accordingly, no Participant who has a balance in his or her Performance Shares Account shall be entitled to any dividend, voting, or other rights of a shareholder of Common Stock with respect to the Performance Shares in his or her Performance Shares Account.

(ii) No Right to Payment. No payment shall be made for any one (1) or more of the Performance Shares in a Participant's Performance Shares Account except as provided in Section 4.2.

(iii) Cancellation of Performance Shares. The Administrator may cancel all or any number of the Performance Shares in a Participant's Performance Shares Account with the written consent of the Participant.

3.2 Option Share Accounts. Notwithstanding anything to the contrary herein, no elections to defer Option Gains are permitted under the terms of this Plan on or after January 1, 2005, and the provisions of this Plan relating to Option Gains shall only apply with respect to elections to defer Option Gains made prior to January 1, 2005.

(a) Exercise of Options. With respect to any Option Gain deferred under this Plan, it is the Plan Sponsor's intent that: (i) the Participant first exercise the associated Options in a stock-for-stock exercise under the terms of the applicable stock option plan maintained by the Plan Sponsor; (ii) the shares to be returned to the Participant in connection with the stock-for-stock exercise of the Options under the stock option plan shall be issued from the shares of Common Stock available under such stock option plan and shall be equal in number to the shares initially tendered by the Participant in connection with the Option exercise; (iii) with respect to the aggregate market value of the Option Gain, (A) the value of such Option Gain shall be credited to the Participant's Option Shares Account under this Plan, (B) the stock option plan shall not issue any shares of Common Stock thereunder with respect to such Option Gain, and (C) this Plan shall issue any such shares of Common Stock with respect to the Option Gain from the shares of Common Stock available for issuance under this Plan in accordance with the terms of this Plan.

(b) Election to Defer. Subject to this Section, a Participant who is an Eligible Employee (i) may elect prior to the last day of a Plan Year to defer any Option Gain realized as a result of any exercise by the Participant of any Options during the last six (6) months of the next succeeding Plan Year, or (ii) may elect prior to the last day of the sixth (6th)

month of a Plan Year to defer any Option Gain realized as a result of any exercise by the Participant of any Options during the first six (6) months of the next succeeding Plan Year.

(c) Election Procedures. Subject to any further procedures established by the Administrator pursuant to Article V, a Participant shall make any deferral election that he or she desires to make pursuant to Subsection (b) above by properly completing an election form and filing the form with the Administrator. A Participant may not, at any time, revoke a deferral election made pursuant to this Section.

(d) Crediting of Gain Shares. Subject to Subsection (e) below, with respect to each Participant who exercises Options subject to a deferral election made pursuant to Subsection (b) above, if the Participant shall be an Eligible Employee on the respective Option Exercise Date, as soon as administratively possible after the Administrator shall have received notice that the Options have been exercised, the Administrator shall credit the Participant's Option Shares Account with a number of Gain Shares equal to the quotient (rounded to the nearer hundredth) of (i) the Participant's Option Gain from the exercise of the Options and (ii) the Common Stock Price as of the Option Exercise Date.

(e) No Crediting of Gain Shares. Notwithstanding Subsection (d) above, Gain Shares shall be credited to a Participant's Option Shares Account with respect to the Participant's exercise of Options subject to a deferral election made pursuant to Subsection (b) above only in the event that: (i) the Participant shall have delivered pursuant to the applicable stock option plan maintained by the Plan Sponsor shares of Common Stock that the Participant has held for at least six (6) months with an aggregate value equal to the aggregate exercise price of the Options exercised (or proof that the Participant owns such shares); (ii) the Participant shall deliver to the Administrator a check for any federal employment taxes applicable to the deferral of the Option Gain on the exercise of the Options; (iii) the Participant shall have exercised at least 1,000 Options; (iv) the Participant has not already exercised any Options in the same calendar month; and (v) the Option Gain is at least \$25,000.

(f) Crediting of Dividend Shares. With respect to each Participant who has an Option Shares Account, as soon as administratively possible after any dividend payment date with respect to the Common Stock, the Administrator shall credit the Participant's Option Shares Account with a number of Dividend Shares equal to the quotient (rounded to the nearer hundredth) of (i) the product of (A) the dividend amount per share of Common Stock and (B) the number of Option Shares credited to his or her Option Shares Account and (ii) the Common Stock Price as of the dividend payment date.

(g) Limitations With Respect to Option Shares.

(i) No Shareholder Rights. No Option Share shall have any legal relation to a share of Common Stock and, accordingly, no Participant who has a balance in his or her Option Shares Account shall be entitled to any dividend, voting, or other rights of a shareholder of Common Stock with respect to the Option Shares in his or her Option Shares Account except as otherwise provided in Subsection (f) above.

(ii) No Right to Payment. No payment shall be made for any of the Option Shares in a Participant's Option Shares Account except as provided in Section 4.3.

3.3 Deferral Accounts. Notwithstanding anything to the contrary herein, no elections to defer any amounts earned after December 31, 2018 are permitted under the terms of this Plan, and the provisions of this Plan relating to elective deferrals shall only apply with respect to amounts earned prior to January 1, 2019.

(a) Election to Defer. Subject to this Section:

(i) Bonus Deferral Amounts. A Participant who is an Eligible Employee may elect to have an amount of his or her Target Bonus for a Plan Year, a percentage of his or her Bonus for a Plan Year, or any amount of his or her Bonus as exceeds a specified amount deferred as a Bonus Deferral Amount for the next succeeding Plan Year; provided that the actual amount deferred shall not exceed the Participant's Bonus. Effective for Plan Years beginning on or after January 1, 2013, any election by a Participant to defer of a whole percentage of his or her Bonus for a Plan Year shall not exceed eighty-five percent (85%) of such Bonus for the Plan Year.

(ii) Salary Deferral Amounts. A Participant who is an Eligible Employee may elect to have an amount of his or her Salary for each Payroll Period in a Plan Year during which he or she shall be an Eligible Employee deferred as a Salary Deferral Amount. Effective for Plan Years beginning on or after January 1, 2013, with respect to a Participant's Salary for a Payroll Period during a Plan Year, a Participant may only elect to have deferred as a Salary Deferral Amount a whole percentage not to exceed eighty-five percent (85%) of such Salary for a Payroll Period; elections of fixed dollar amounts shall no longer be permitted for Plan Years beginning on or after January 1, 2013.

(b) Election Procedures. Subject to any further procedures established by the Administrator pursuant to Article V, any election made by a Participant pursuant to Subsection (a) above shall be subject to the procedures described in Paragraphs (i) through (iv) below:

(i) Initial Opportunity to Defer.

(A) Bonus Deferral Amounts. The Participant may elect to have a Bonus Deferral Amount deferred on his or her behalf with respect to the Participant's Target Bonus or Bonus for the Plan Year in which the Participant's Participation Date occurs by so indicating on the enrollment form required pursuant to Section 2.1.

(B) Salary Deferral Amounts. The Participant may elect to have Salary Deferral Amounts deferred on his or her behalf with respect to the Participant's Salary for the Plan Year in which the Participant's Participation Date occurs by so indicating on the enrollment form required pursuant to Section 2.1. Such election shall be effective for Payroll Periods during such Plan Year or the remainder of such Plan Year, as applicable, beginning as soon as administratively possible on or after the latest of (I) April 1, 1995, (II) the Participant's Participation Date, or (III) the date that the Participant files the properly completed enrollment form with the Administrator.

(ii) Subsequent Opportunities to Defer.

(A) Bonus Deferral Amounts. The Participant may elect to have a Bonus Deferral Amount deferred on his or her behalf with respect to the Participant's Target Bonus or Bonus for a Plan Year subsequent to the Plan Year in which the Participant's Participation Date occurs by properly completing an election form and filing the form with the Administrator prior to the first (1st) day of such subsequent Plan Year.

(B) Salary Deferral Amounts. The Participant may elect to have Salary Deferral Amounts deferred on his or her behalf with respect to the Participant's Salary for a Plan Year subsequent to the Plan Year in which the Participant's Participation Date occurs by properly completing an election form and filing the form with the Administrator prior to the first (1st) day of such subsequent Plan Year. Such election shall be effective for Payroll Periods during the respective Plan Year beginning as soon as administratively possible on or after the first (1st) day of the Plan Year.

(iii) No Revocations. A Participant may not, at any time, revoke a previous election with respect to a Bonus Deferral Amount or Salary Deferral Amounts.

(iv) Termination of Election. A Participant's election concerning a Bonus Deferral Amount or Salary Deferral Amounts shall terminate on the earlier of (A) the date as of which the last amount or the only amount, as applicable, designated to be withheld under such election shall be withheld or (B) the Participant's Eligibility Termination Date.

(c) Withholding by Employer.

(i) Bonus Deferral Amounts. The Employer of a Participant who has in effect an election with respect to a Bonus Deferral Amount pursuant to Subsection (b) above shall withhold the designated Bonus Deferral Amount from the Participant's Bonus and shall notify the Administrator that such amount was withheld as soon as administratively possible after the withholding thereof.

(ii) Salary Deferral Amounts. The Employer of a Participant who has in effect an election with respect to Salary Deferral Amounts pursuant to Subsection (b) above for a Payroll Period shall withhold the designated Salary Deferral Amount from the Participant's Salary for the Payroll Period and shall notify the Administrator that such amount was withheld as soon as administratively possible after the withholding thereof; provided, however, that, after the first such notice by the Employer to the Administrator, the Employer shall only notify the Administrator of any change in the withholding of Salary Deferral Amounts.

(d) Crediting of Deferral Amounts. As soon as administratively possible after the Administrator shall have received notice (or shall be deemed to have received notice pursuant to Subsection (c)(ii) above) that a Bonus Deferral Amount or a Salary Deferral Amount has been withheld on behalf of a Participant, the Administrator shall credit the Participant's Deferral Account by such amount.

(e) Crediting of Additional Amounts.

(i) In General. As of the last day of each Plan Year and as soon as administratively possible thereafter, the Administrator shall credit to the Deferral Account of each Participant with respect to whom the requirements in Paragraph (ii) below shall be met an amount (if any) that shall be determined by the Administrator in his or her sole discretion and that shall be intended to compensate for employer contributions that may have been foregone by the Participant under the

401(k) Plan, the Pension Plan, or any other qualified plan maintained by an Employer due to the fact that a Bonus Deferral Amount and/or Salary Deferral Amounts were credited to the Participant's Salary Deferral Account for the Plan Year.

(ii) Requirements for Additional Amount. A Participant shall be eligible to have an amount credited to his or her Deferral Account for a Plan Year in accordance with Paragraph (i) above if the following requirements are met with respect to the Participant:

(A) A Bonus Deferral Amount and/or Salary Deferral Amounts were credited to the Participant's Salary Deferral Account for the Plan Year;

(B) The Participant had completed at least one (1) One Year of Service uninterrupted by a One-year Break in Service as of July 1 of the Plan Year;

(C) The Participant's Eligibility Termination Date had not occurred as of the last day of the Plan Year; and

(D) The Participant's Basic Compensation for the Plan Year does not exceed the Compensation Limitation for the Plan Year;

where, for purposes of this Paragraph, the terms "One Year of Service," "One-year Break in Service," "Basic Compensation" and "Compensation Limitation" shall be as defined in the 401(k) Plan, the Pension Plan, or other qualified plan maintained by an Employer, as applicable.

(f) Crediting of Earnings.

(i) Elections. A Participant may elect as the Earnings Crediting Rate that shall apply to all or a designated portion of the Participant's Deferral Account the earnings rate on one (1) of the investment options that the Administrator shall from time to time designate. A Participant makes his or her initial election of the Earnings Crediting Rate(s) that shall apply to the Participant's Deferral Account by properly completing an investment option form and filing it with the Administrator. A Participant who has filed an investment option form with the Administrator may elect to change his or her investment election with respect to either the investment of future amounts credited to the Participant's Deferral Account and/or the investment of all or a designated portion of the current balance of the Participant's Deferral Account by so designating on a new investment option form and filing the form with the Administrator or, in accordance with procedures adopted by the Administrator, by so notifying the Administrator in any manner acceptable to the Administrator; provided, however, that a Participant may not change his or her investment election with respect to Common Stock and any such election of the Common Stock as an investment option shall be irrevocable and remain in effect until the Participant's Distributable Amount is distributed pursuant to Section 4.2 of this Plan. Except as otherwise provided by the Administrator with respect to one (1) or more investment options, any initial investment election made pursuant to this Paragraph shall be effective as soon as administratively possible after August 31, 2003, and any subsequent investment election made pursuant to this Paragraph shall be effective as soon as administratively possible after the date that the Participant files the investment option form with the Administrator or otherwise notifies the Administrator of his or her election, and each investment election shall continue in effect until the effective date of a subsequent investment election properly made. Notwithstanding the foregoing, with respect to any Participant who is required to file reports with the Securities and Exchange Commission under Section 16 of the Securities Exchange Act of 1934, and the rules promulgated thereunder, if the Participant has elected Common Stock as an investment option that shall apply to all or a portion of his or her Deferral Account, such investment option and Earnings Crediting Rate shall not become effective with respect to any amounts deferred until the earliest of the last Friday (or if such Friday is a New York Stock Exchange holiday, the immediately preceding day that is not a holiday or weekend day for purposes of the New York Stock Exchange) of the month of April, July, October, or January immediately following the date such amounts were deferred, and during the period from the date of deferral until such April, July, October, or January date, as applicable, the investment options and Earnings Crediting Rate that shall apply to such deferred amounts shall be the fixed income fund investment option, or such other investment option as the Administrator shall determine.

The Administrator shall adopt and may amend procedures to be followed by Participants in electing Earnings Crediting Rate(s) and, pursuant thereto, the Administrator may, among other actions, format investment option forms and establish deadlines for elections.

(ii) No Election. The Administrator shall from time to time designate a fixed income fund or other investment option that shall be used to establish the Earnings Crediting Rate that shall apply to the Deferral Account of any Participant who has not made an investment option election pursuant to Subparagraph (i) above.

(iii) Earnings Credits. As of each Valuation Date, the Administrator shall determine the

Earnings Credit applicable to the Deferral Account of each Participant for the Valuation Period ending on the Valuation Date (or the portion thereof during which the Deferral Account was maintained): (i) if only one (1) Earnings Crediting Rate shall have applied to the Deferral Account pursuant to Subsection (i) above, the Earnings Credit shall equal (A) the Earnings Crediting Rate (on an annual basis) times (B) the balance in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365; and (ii) if more than one (1) Earnings Crediting Rate shall have applied to the Deferral Account pursuant to Subsection (i) above, as applicable, the Earnings Credit shall equal the sum of each amount determined as (A) the Earnings Crediting Rate (on an annual basis) times (B) the portion of the balance in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established to which such rate applied times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365.

(iv) Accounting. As of each Valuation Date, the balance in each Deferral Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

(A) The balance (if any) in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established; plus

(B) Any amounts credited to the Deferral Account pursuant to Sections 3.3(d) and 3.3(e) of this Plan during the Valuation Period ending on the Valuation Date; plus

(C) Any positive Earnings Credit determined for the Deferral Account pursuant to Section 3.3(f)(iii) of this Plan during the Valuation Period ending on the Valuation Date; less

(D) Any negative Earnings Credit determined for the Deferral Account pursuant to Section 3.3(f)(iii) during the Valuation Period ending on the Valuation Date.

(g) Vesting of Deferral Accounts. With respect to a Participant, the Participant's Deferral Account shall be at all times nonforfeitable.

#### 3.4 Benefit Accounts.

(a) Cyclical Accounting for Performance Cycle Ending December 31, 2003.

(i) Crediting of Benefit Amounts. As of December 31, 2003, with respect to a Participant who has a balance in his or her Performance Shares Account, the Administrator shall credit the Participant's Benefit Account as follows: (1) with a Benefit Amount for the Performance Cycle ending on December 31, 2003, where such Benefit Amount shall equal fifty percent (50%) (rounded to two (2) decimal places) of the product of (i) the number of Performance Shares in the Participant's Performance Shares Account as of December 31, 2003, and (ii) the Common Stock Price as of December 31, 2003; and (2) with a number of Performance Shares equal to fifty percent (50%) of the number of Performance Shares in the Participant's Performance Share Account as of December 31, 2003; provided that the Administrator shall account separately for each Benefit Amount credited to a Participant's Account pursuant to this Subsection.

(ii) Effect on Performance Shares Account. The Administrator shall reduce the number of Performance Shares in the Participant's Performance Shares Account to zero (0).

(iii) Annual Accounting. As of December 31, 2003, with respect to each Benefit Amount (if any) in a Participant's Benefit Account as of such date, the Administrator shall credit earnings on fifty percent (50%) of such Benefit Amount to the Participant's Benefit Account, where the amount of such earnings shall equal the product (rounded to two (2) decimal places) of (i) the Long-term Rate for the Performance Cycle in which the Plan Year occurs and (ii) the sum of (A) fifty percent (50%) of such Benefit Amount and (B) the aggregate amount (if any) of earnings thereon previously credited to the Participant's Benefit Account pursuant to this Subsection.

(b) Conversion of Other Benefit Amounts to Performance Shares. As of January 1, 2004, the Administrator shall convert all of the Benefit Amounts in a Participant's Benefit Account that previously were not credited with earnings at the Long-term Rate for a Performance Cycle under Paragraph (a)(iii) above to Performance Shares by crediting the Participant's Benefit Account with a number of Performance Shares equal to the quotient of (1) the aggregate of such Benefit Amounts, divided by (2) the Common Stock Price on January 1, 2004, and then debiting the Participant's Benefit Account by the aggregate of such Benefit Amounts.

(c) Cyclical Accounting for Performance Cycles Beginning on or After January 1, 2004. Effective January 1, 2004, as of the February 1 of a Performance Cycle, or Participation Date, that the Participant's Performance Shares Account is credited with Performance Shares pursuant Section 3.1(a), the Administrator shall credit each Participant's Benefit

Account with the number of Performance Shares in the Participant's Performance Share Account as of such date and then the Administrator shall reduce the number of Performance Shares in the Participant's Performance Share Account to zero (0). For Performance Cycles commencing prior to January 1, 2019, such Performance Shares were credited as of the Cycle Beginning Date, or Participation Date, that the Participant's Performance Shares Account was credited with Performance Shares pursuant to Section 3.1(a).

(d) Earnings Credits.

(i) Performance Shares. The investment option and Earnings Crediting Rate applicable to the Performance Shares in the Benefit Account of each Participant shall be Common Stock. As of each Valuation Date on or after January 1, 2004, the Administrator shall determine the Earnings Credit applicable to the Performance Shares in the Benefit Account of each Participant for the Valuation Period ending on the Valuation Date (or the portion thereof during which the Deferral Account was maintained); the Earnings Credit for the Common Stock investment option shall equal (A) the Earnings Crediting Rate (on an annual basis) times (B) the balance in the Benefit Account as of the later of the last preceding Valuation Date or the date as of which the Benefit Account was established times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365.

(ii) Benefit Amounts. As of the last day of each Plan Year beginning on or after January 1, 2004, with respect to each Benefit Amount (if any) in a Participant's Benefit Account as of the first (1st) day of such Plan Year other than Benefit Amounts consisting of Performance Shares, the Administrator shall credit earnings on such Benefit Amount to the Participant's Benefit Account, where the amount of such earnings shall equal the product (rounded to two (2) decimal places) of (i) the Long-term Rate for the Performance Cycle in which the Plan Year occurs and (ii) the sum of (A) such Benefit Amount and (B) the aggregate amount (if any) of earnings thereon previously credited to the Participant's Benefit Account.

(iii) Accounting. As of each Valuation Date, the balance in each Benefit Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

(A) The balance (if any) in the Benefit Account as of the later of the last preceding Valuation Date or the date as of which the Benefit Account was established; plus

(B) Any amounts credited to the Benefit Account pursuant to Section 3.4(c) of this Plan during the Valuation Period ending on the Valuation Date; plus

(C) Any amounts credited to the Benefit Account pursuant to Section 3.4(e) of this Plan during the Valuation Period ending on the Valuation Date; plus

(D) Any positive Earnings Credit determined for the Benefit Account pursuant to Section 3.4(d)(i) and 3.4(d)(ii) of this Plan during the Valuation Period ending on the Valuation Date; less

(E) Any negative Earnings Credit determined for the Benefit Account pursuant to Section 3.4(d)(i) during the Valuation Period ending on the Valuation Date.

(e) Accounting at Eligibility Termination Date. As of the Eligibility Termination Date of a Participant, the Administrator shall take consecutively the actions in Paragraphs (i) through (iv) below, as applicable, which such actions shall be taken subsequently to the actions to be taken by the Administrator pursuant to Subsections (c) and (d):

(i) Discretionary Crediting of Performance Shares. If the Participant's Eligibility Termination Date precedes the Cycle Ending Date of a Performance Cycle, the Administrator may, in his or her sole discretion, credit the Participant's Benefit Account with a number of Performance Shares for the Performance Cycle in which such Eligibility Termination Date occurs equal to the number of Performance Shares credited to such Benefit Account on the Cycle Beginning Date of such Performance Cycle. This paragraph shall not apply for Performance Cycles commencing after December 31, 2018.

(ii) Effect on Performance Shares Account. Except as otherwise provided in Paragraph (i) above, unless the Participant's Eligibility Termination Date coincides with the Cycle Ending Date of a Performance Cycle, the Administrator shall reduce the number of Performance Shares in the Participant's Benefit Account by the number of Performance Shares credited to such Benefit Account on the Cycle Beginning Date for the Performance Cycle or, if later, the Participant's Participation Date. This paragraph shall not apply for Performance Cycles commencing after December 31, 2018.

(iii) Determination of Vesting Percentages. The Administrator shall determine the Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon in the Participant's Benefit Account, in accordance with the following:

(A) Age and Service Vesting.

(1) If the Participant has both attained age fifty-five (55) and completed at least five (5) Years of Service, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be one hundred percent (100%).

(2) Effective January 1, 2004, if such Paragraph (A)(1) above does not apply and if the Participant has completed at least five (5) Years of Participation, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be determined as follows:

<u>VESTING YEARS OF PARTICIPATION</u>	<u>VESTING PERCENTAGE</u>
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

(B) Vesting at Death. If the Participant has died, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be one hundred percent (100%).

(C) Partial Vesting for Initial Participants. If the Participant is an Initial Participant and neither Subparagraph (A)(1) nor Subparagraph (B) above applies to the Participant, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon that correlate with the Benefit Amounts previously credited for the Performance Cycle beginning on March 1, 1995 shall be sixty-six and two-thirds percent (66-2/3%); provided, however, that an Initial Participant's Vesting Percentage may increase based upon his or her Vesting Years of Participation pursuant to Subparagraph (A)(2) above (e.g., after completion of five (5) Years of Participation and seven (7) Vesting Years of Participation, an Initial Participant's Vesting Percentage will be seventy percent (70%)).

(D) No Vesting. Except as otherwise provided in Subparagraph (A), (B), or (C) above, the Participant's Vesting Percentage applicable to each such Benefit Amount including Performance Shares plus any such earnings thereon shall be zero percent (0%).

(E) Gross Misconduct Exception to Vesting. Notwithstanding Subparagraph (A), (B) or (C) above, if the Administrator determines, in his or her sole discretion, that the circumstances of and/or surrounding the Participant's ceasing to be an Eligible Employee constitute gross misconduct on the part of the Participant, the Administrator may, in his or her sole discretion, determine that the Participant's Vesting Percentage applicable to the Benefit Amounts and the Performance Shares and earnings thereon shall be reduced to as low as zero percent (0%).

(F) Special Vesting for NetScout Acquired Participants. Notwithstanding any other Subparagraph in this Paragraph (iii), a NetScout Acquired Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be one hundred percent (100%) as of July 13, 2015.

(iv) Forfeiture and Reduction of Benefit Account. If the Administrator determines pursuant to Paragraph (iii) above that the Participant's Vesting Percentage with respect to the Benefit Amounts including Performance Shares and earnings thereon, is less than one hundred percent (100%), the Administrator shall forfeit all or a portion of such Benefit Amount including Performance Shares plus any earnings thereon by (A) reducing pro rata the Benefit Amounts and Performance Shares by the product (rounded to two (2) decimals) of (I) the Benefit Amounts and (II) the difference between one hundred percent (100%) and the applicable Vesting Percentage and (B) reducing any such earnings by the product (rounded to two (2) decimals) of (I) the amount of such earnings and (II) the difference between one hundred percent (100%) and the applicable Vesting Percentage.



(v) Crediting of Earnings and Debiting of Losses. In the event that a Participant's Eligibility Termination Date is neither a Valuation Date nor the last day of a Plan Year, such Eligibility Termination Date shall be deemed to be a Valuation Date and the last day of the Plan Year, and the Administrator shall determine the applicable Earnings Credits (if any) and value the Participant's Benefit Account in accordance with Section 3.4(d).

### 3.5 Rollover Accounts.

(a) Crediting of Rollover Amount. As soon as administratively possible following the Administrator's determination of the Rollover Amount with respect to a Rollover Participant, the Administrator shall credit to the Rollover Account of the Rollover Participant the Rollover Amount (if any) that shall be determined by the Administrator in his or her sole discretion.

(b) Crediting of Earnings.

(i) Elections. A Rollover Participant may elect as the Earnings Crediting Rate that shall apply to all or a designated portion of the Rollover Participant's Rollover Account the earnings rate on one (1) of the investment options that the Administrator shall from time to time designate. A Rollover Participant make his or her initial election of the Earnings Crediting Rate(s) that shall apply to the Rollover Participant's Rollover Account by properly completing an investment option form and filing it with the Administrator. A Rollover Participant who has filed an investment option form with the Administrator may elect to change his or her investment election with respect to either the investment of future amounts credited to the Rollover Participant's Rollover Account and/or the investment of all or a designated portion of the current balance of the Rollover Participant's Rollover Account by so designating on a new investment option form and filing the form with the Administrator or, in accordance with procedures adopted by the Administrator, by so notifying the Administrator in any manner acceptable to the Administrator; provided, however, that a Participant may not change his or her investment election of Common Stock and any such election of Common Stock as an investment option shall be irrevocable and remain in effect until the Participant's Distributable Amount is distributed pursuant to Section 4.2 of this Plan. Except as otherwise provided by the Administrator with respect to one (1) or more investment options, any initial investment election made pursuant to this Paragraph shall be effective as soon as administratively possible after August 31, 2003, and any subsequent investment election made pursuant to this Paragraph shall be effective as soon as administratively possible after the date that the Rollover Participant files the investment option form with the Administrator or otherwise notifies the Administrator of his or her election, and each investment election shall continue in effect until the effective date of a subsequent investment election properly made.

The Administrator shall adopt and may amend procedures to be followed by Rollover Participants in electing Earnings Crediting Rate(s) and, pursuant thereto, the Administrator may, among other actions, format investment option forms and establish deadlines for elections.

(ii) No Election. The Administrator shall from time to time designate a fixed income fund or other investment option that shall be used to establish the Earnings Crediting Rate that shall apply to the Rollover Account of any Rollover Participant who has not made an investment option election pursuant to Subparagraph (i) above.

(iii) Earnings Credits. As of each Valuation Date, the Administrator shall determine the Earnings Credit applicable to the Rollover Account of each Rollover Participant for the Valuation Period ending on the Valuation Date (or the portion thereof during which the Rollover Account was maintained): (i) if only one (1) Earnings Crediting Rate shall have applied to the Rollover Account pursuant to Subsection (i) above, the Earnings Credit shall equal (A) the Earnings Crediting Rate (on an annual basis) times (B) the balance in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365; and (ii) if more than one (1) Earnings Crediting Rate shall have applied to the Rollover Account pursuant to Subsection (i) above, as applicable, the Earnings Credit shall equal the sum of each amount determined as (A) the Earnings Crediting Rate (on an annual basis) times (B) the portion of the balance in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established to which such rate applied times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365.

(iv) Accounting. As of each Valuation Date, the balance in each Rollover Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

(A) The balance (if any) in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established; plus

(B) Any positive Earnings Credit determined for the Rollover Account pursuant to Section 3.5(b)(iii) of this Plan during the Valuation Period ending on the Valuation Date; less

(C) Any negative Earnings Credit determined for the Rollover Account pursuant to Section 3.5(b)(iii) during the Valuation Period ending on the Valuation Date.

### 3.5A Discretionary Share Accounts.

(a) Award of Performance Shares. The Plan Sponsor may elect during any Plan Year to credit Performance Shares to a Participant's Discretionary Share Account at such time and in such amount as may be determined by the Plan Sponsor in its sole discretion.

(b) Limitations With Respect to Performance Shares. The limitations applicable to Performance Shares in a Participant's Performance Share Account pursuant to Section 3.1(b) shall apply to Performance Shares in a Participant's Discretionary Share Account.

(c) Vesting of Discretionary Share Accounts. With respect to a Participant, the Participant's vested interest in his or her Discretionary Share Account shall be one hundred percent (100%). Notwithstanding the foregoing, if the Administrator determines, in his or her sole discretion, that the circumstances of and/or surrounding the Participant's ceasing to be an Eligible Employee constitute gross misconduct on the part of the Participant, the Administrator may, in his or her sole discretion, determine that the Participant's vested interest in his or her Discretionary Share Account shall be reduced to as low as zero percent (0%).

#### (d) Earnings Credits.

(i) Performance Shares. The investment option and Earnings Crediting Rate applicable to the Performance Shares in the Discretionary Share Account of each Participant shall be Common Stock. As of each Valuation Date, the Administrator shall determine the Earnings Credit applicable to the Performance Shares in the Discretionary Share Account of each Participant using the methodology set forth under Section 3.4(d)(i) of this Plan.

(ii) Accounting. As of each Valuation Date, the balance in each Benefit Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

(A) The balance (if any) in the Discretionary Share Account as of the later of the last preceding Valuation Date or the date as of which the Discretionary Share Account was established; plus

(B) Any positive Earnings Credit determined for the Discretionary Share Account pursuant to Section 3.5A(d)(i) of this Plan during the Valuation Period ending on the Valuation Date; less

(C) Any negative Earnings Credit determined for the Discretionary Share Account pursuant to Section 3.5A(d)(i) during the Valuation Period ending on the Valuation Date.

### 3.6 Distribution Accounts.

(a) Accounting at Eligibility Termination Date. As of the Eligibility Termination Date of a Participant, the Administrator shall take consecutively the actions in Paragraphs (i) and (ii) below, as applicable, which such actions shall be taken subsequently to the actions to be taken by the Administrator pursuant to Sections 3.3(f), 3.4(d), 3.4(e), 3.5(b), and 3.5A(d)

(i) Crediting of Distributable Amount. The Administrator shall credit to the Participant's Distribution Account the sum of (A) the balance (if any) in his or her Benefit Account, and (B) the balance (if any) in his or her Deferral Account (if any), and (C) the balance (if any) in his or her Rollover Account (if any), and (D) the balance (if any) in his or her Discretionary Share Account, and any and all investment elections in effect with respect to each of such balances as of the Participant's Eligibility Termination Date shall be maintained in full force and effect.

(ii) Effect on Benefit Account, Deferral Account, Rollover Account and Discretionary Share Account. The Administrator shall reduce the balance (if any) in the Participant's Benefit Account, the balance (if any) in the Participant's Deferral Account, the balance (if any) in the Participant's Rollover Account, and the balance (if any) in the Participant's Discretionary Share Account, to zero dollars (\$0).

#### (b) Crediting of Earnings.

(i) Performance Shares. With respect to the Performance Shares in a Participant's Distribution Account, the Administrator shall take the following actions during the period beginning on a Participant's Eligibility Termination Date and ending on the Participant's Employment Termination Date:

(A) Accounting on Valuation Dates. As of each Valuation Date during the aforementioned period, the Administrator shall credit earnings (if any) to the Performance Share in the Participant's Distribution Account in accordance with the methodology set forth under Section 3.4(d)(i) of this Plan.

(B) Accounting at Employment Termination Date. In the event that a Participant's Employment Termination Date is not a Valuation Date, such Employment Termination Date shall be deemed to be a Valuation Date and the Administrator shall credit earnings (if any) to the Performance Shares in the Participant's Distribution Account in accordance with the methodology set forth under Section 3.4(d)(i) of this Plan.

(ii) Prior Deferral Account and Rollover Account Balances. With respect to the portion of a Participant's Distribution Account previously transferred from his or her Deferral Account and/or Rollover Account and not consisting of Performance Shares, the Administrator shall take the following actions during the period beginning on a Participant's Eligibility Termination Date and ending on the Participant's Employment Termination Date:

(A) Accounting on Valuation Dates. As of each Valuation Date during the aforementioned period, the Administrator shall credit earnings (if any) to such portion of the Participant's Distribution Account in accordance with the methodology set forth under Section 3.3(f)(iii).

(B) Accounting at Employment Termination Date. In the event that a Participant's Employment Termination Date is not a Valuation Date, such Employment Termination Date shall be deemed to be a Valuation Date and the Administrator shall credit earnings (if any) on such portion of a Participant's Distribution Account in accordance with Section 3.3(f)(iii) and/or 3.5(b)(iii), as applicable.

(iii) Balance of Distribution Account. With respect to the balance of a Participant's Distribution Account after the crediting of earnings under Paragraphs (i) and (ii) above, the Administrator shall take the following actions during the period beginning on the Participant's Eligibility Termination Date and ending on the Participant's Employment Termination Date:

(A) Annual Accounting Before Employment Termination Date. As of the last day of each Plan Year during the aforementioned period, the Administrator shall credit earnings to the Distribution Account (if any) of each Participant whose Employment Termination Date has not occurred by the last day of the Plan Year, where the amount of such earnings shall equal the product (rounded to two (2) decimal places) of (A) the Long-term Rate for the Performance Cycle in which the Plan Year occurs, (B) the sum of the monthly balances in the Distribution Account during the Plan Year not otherwise credited with earnings under Paragraph (i) or (ii) above, and (C) the quotient (rounded to four (4) decimal places) of (I) the number of whole months during the Plan Year in which the Distribution Account had a balance, and (II) twelve (12).

(B) Accounting at Employment Termination Date. As of the Employment Termination Date of a Participant, if such date is later than the Participant's Eligibility Termination Date, the Administrator shall credit earnings to the Participant's Distribution Account, where the amount of such earnings shall equal the product (rounded to two (2) decimal places) of (A) the Long-term Rate for the Performance Cycle in which the Participant's Employment Termination Date occurred, (B) the sum of the monthly balances in the Participant's Distribution Account during the Plan Year in which his or her Employment Termination Date occurred not otherwise credited with earnings under Paragraph (i) or (ii) above, and (C) the quotient (rounded to four (4) decimal places) of (I) the number of whole months during such Plan Year in which the Participant's Distribution Account had a balance, and (II) twelve (12).

(iv) Annual Accounting Following Employment Termination Date. With respect to a Participant whose Employment Termination Date has occurred but who is receiving, or a deceased Participant whose Beneficiary or Beneficiaries are receiving, installment distributions of the Participant's Distributable Amount pursuant to Section 4.2, as of each anniversary date of the Participant's Employment Termination Date, the Administrator shall credit earnings to the Participant's Distribution Account, where the amount of such earnings shall equal the product (rounded to two (2) decimal places) of (A) the Long-term Rate for the Performance Cycle in which such anniversary date occurs and (B) the balance in the Participant's Distribution Account as of such anniversary date.

## ARTICLE IV

### DISTRIBUTION OF BENEFITS

4.1 Election of Form and Medium of Distribution to Participant. Subject to Article IX, at the time a Participant completes the enrollment form required by Section 2.1 and at any other such times as the Administrator, in his or her sole discretion, may prescribe:

(a) The Participant may elect, in accordance with procedures established by the Administrator, to receive the Participant's Distributable Amount (if any) and/or any shares of Common Stock representing a distribution of the Participant's Option Shares Account (if any) payable upon his or her Employment Termination Date in one of the following forms of distribution:

(i) a lump-sum distribution; or

(ii) annual installments over two (2), five (5) or ten (10) years if:

(A) with respect to any distribution of the Participant's Option Shares Account, the Participant has (A) both attained age fifty-five (55) and completed at least five (5) Years of Service or (B) completed fifteen (15) Years of Participation; or

(B) with respect to any portion of the Participant's Distributable Amount attributable to a Grandfathered Amount, the Participant has (A) both attained age fifty-five (55) and completed at least five (5) Years of Service or (B) completed fifteen (15) Years of Participation; or

(C) with respect to any portion of the Participant's Distributable Amount attributable to a Section 409A Amount, the Participant has both attained age fifty-five (55) and completed at least five (5) Years of Service.

(b) The Participant may elect, in accordance with procedures established by the Administrator, to receive any such lump-sum distribution or annual installments in cash, in shares of Common Stock, or partially in cash and partially in shares of Common Stock; provided, however, that any Performance Shares and any other portion of the Participant's Distributable Amount with respect to which the Participant previously elected Common Stock as an investment option shall be paid in shares of Common Stock in accordance with Section 4.2(d).

4.2 Distributions Upon Termination of Employment. Subject to Articles V and IX:

(a) Available Benefits. Upon the Employment Termination Date of a Participant, the Participant or his or her Beneficiary or Beneficiaries, if the Participant has died, shall be eligible to receive payment of the Distributable Amount.

(b) Form and Medium of Payment.

(i) Payment to Participant. A Participant who is eligible for payment of the Distributable Amount pursuant to Subsection (a) above shall receive the Distributable Amount in the form and medium elected by the Participant on the most recent election form filed by the Participant pursuant to Section 4.1 prior to the Plan Year in which his or her Employment Termination Date occurs; provided, however, that:

(A) any Performance Shares and any other portion of the Participant's Distributable Amount with respect to which the Participant previously elected Common Stock as the investment option shall be paid in shares of Common Stock; and

(B) subject to Paragraph (A) above and Section 9.2(c), if no such election form was filed with the Administrator, the Distributable Amount shall be paid as a lump-sum distribution in cash.

(ii) Payment to Beneficiary. Subject to Section 9.3 with respect to a Section 409A Amount, a Beneficiary of a deceased Participant who is eligible for payment of all or part of the Distributable Amount pursuant to Subsection (a) above shall receive all or such part, as applicable, of the Distributable Amount as a lump-sum distribution in cash and in shares of Common Stock to the extent of the Performance Shares (if any) and any other portion of the Participant's Distributable Amount with respect to which the Participant previously elected Common Stock as the investment option.

(c) Timing of Payment. The Distribution Date for payment of the Distributable Amount in accordance with Subsections (a) and (b) above shall be the earliest date administratively possible within the ninety (90)-day period following the respective Participant's Employment Termination Date.

(d) Payment in Common Stock. If all or part of a Participant's Distributable Amount shall be paid in shares of Common Stock (treasury shares, authorized and unissued shares, authorized and issued shares, or a combination of the foregoing), the Administrator shall calculate the number of such shares of Common Stock as follows and the whole number of shares so calculated shall be paid, less applicable withholding, in shares of Common Stock and the value of any fractional shares shall be paid in cash.

(i) With respect to the portion of the Distributable Amount not represented by Performance Shares, as the quotient (rounded to two decimal places) of (A) such portion of the Distributable Amount and (B) the Common Stock Price as of the Participant's Employment Termination Date.

(ii) With respect to the portion of the Distributable Amount represented by Performance Shares, as the product of (A) the number of Performance Shares and (B) the Common Stock Price as of the Participant's Employment Termination Date.

(e) Payment of Installment Distributions. Subject to Section 9.2(d) with respect to a Section 409A Amount, after the Distribution Date of a Participant who shall receive installment distributions of the Distributable Amount, each subsequent installment distribution that shall be due shall be paid to the Participant as of the next succeeding anniversary of the Participant's Employment Termination Date; provided, however, that, in the event of the death of the Participant before all such installment distributions shall be made, all or part, as applicable, of the total of the remaining installment distributions shall be paid as of the next succeeding anniversary of the Participant's Employment Termination Date to the Participant's Beneficiary or each of his or her Beneficiaries, as applicable; provided, however, that if the Participant elected to receive the Distributable Amount in the form of annual installments and the Participant dies prior to receiving all of such annual installments, the Administrator may, in his or her sole discretion, allow the Beneficiary of the deceased Participant to continue receiving installment payments rather than receiving such remaining payments as a lump sum except as otherwise provided in Section 9.3 with respect to any Section 409A Amounts.

(f) Administrative Matters. Subject to Section 8.5, the Administrator may, in his or her sole discretion, delay the Distribution Date for the benefits payable to or on behalf of a Participant to the extent necessary to determine the benefits properly.

#### 4.3 Distribution of Option Shares Accounts. Subject to Article V:

(a) Available Benefits. Upon the Employment Termination Date of a Participant, the Participant or his or her Beneficiary or Beneficiaries, if the Participant has died, shall be eligible to receive payment of the Option Shares in the Participant's Option Shares Account in accordance with this Section.

(b) Form of Payment.

(i) Payment to Participant. As of the Distribution Date defined in accordance with Section 4.2(c), a Participant who is eligible for payment of the Option Shares in the Participant's Option Shares Account pursuant to Subsection (a) above shall receive, calculated as of the Participant's Employment Termination Date, either (A) one (1) payment of a number of shares of Common Stock equal to the whole number of Option Shares in the Participant's Option Shares Account and cash equal to the value of any fractional Option Shares, or (B) one (1) installment payment of a number of shares of Common Stock equal to the quotient of: (1) the number of Option Shares in the Participant's Option Shares Account and (2) the number of installment payments elected by the Participant on the most recent election form filed by the Participant pursuant to Section 4.1 prior to the Plan Year in which his or her Employment Termination Date occurs; provided, however, that, if no such election form was filed with the Administrator, a lump-sum distribution shall be paid.

(ii) Payment to Beneficiary. As of the Distribution Date determined in accordance with Section 4.2(c), a Beneficiary of a deceased Participant who is eligible for payment of all or some of the Option Shares in the Participant's Option Shares Account pursuant to Subsection (a) above shall receive, calculated as of the Participant's Employment Termination Date, the Beneficiary's share of the number of shares of Common Stock as equals the number of Option Shares in the Participant's Option Shares Account and cash equal to the value of any fractional Option Shares.

(c) Payment of Installment Distributions. After the Distribution Date of a Participant who shall receive installment distributions of the Option Shares in the Participant's Option Shares Account, each subsequent installment distribution that shall be due shall be paid to the Participant as of the next succeeding anniversary of the Participant's Employment Termination Date, where the amount of each installment distribution shall be equal to the amount of the first such installment distribution, as calculated pursuant to Subsection (b)(i) above, except that an installment distribution due after any additional Dividend Shares are credited to a Participant's Option Shares Account pursuant to Section 3.2 shall include such Dividend Shares and a cash payment shall be made of the value of any fractional Option Shares remaining when the final

installment distribution shall be paid; provided, however, that, in the event of the death of the Participant before all such installment distributions shall be made, all or part, as applicable, of the total of the remaining installment distributions shall be paid as of the next succeeding anniversary of the Participant's Employment Termination Date to the Participant's Beneficiary or each of his or her Beneficiaries, as applicable; provided, however, that if the Participant elected to receive the Option Shares in the form of installments and the Participant dies prior to receiving all of such installments, the Administrator may, in his or her sole discretion, allow the Beneficiary of the deceased Participant to continue receiving installment payments rather than receiving such remaining payments as a lump sum.

(d) Cash for Withholding Taxes. Notwithstanding Subsections (b) and (c) above, a Participant or a Beneficiary of a deceased Participant may request, in accordance with procedures established by the Administrator, that a distribution in cash be made to the extent required for him or her to pay any withholding taxes attributable thereto.

(e) Administrative Matters. Subject to Section 8.5, the Administrator may, in his or her sole discretion, delay the distribution date for the benefits payable to or on behalf of a Participant to the extent necessary to determine the benefits properly.

4.4 In-service Distribution from Deferral Accounts. The Administrator may, but shall not be required to, establish procedures under which an in-service distribution may be made to a Participant of Bonus Deferral Amounts or Salary Deferral Amounts in his or her Deferral Account (if any) in the event that the Participant has an unforeseeable emergency, as described in Subsection (a) below, and the distribution is reasonably needed to satisfy the unforeseeable emergency, as described in Subsection (b) below:

(a) Unforeseeable Emergency. With respect to a Participant, an unforeseeable emergency is severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a "dependent" of the Participant, as such term shall be defined in Code Section 152(a); loss of the Participant's property due to casualty; or another similar extraordinary and unforeseeable set of circumstances arising as a result of events beyond the control of the Participant.

(b) Distribution Reasonably Necessary to Satisfy Emergency. A distribution shall be deemed to be reasonably necessary to satisfy a Participant's unforeseeable emergency if the following requirements are met:

(i) The distribution does not exceed the amount of the Participant's financial need plus amounts necessary to pay any income taxes or penalties reasonably anticipated to result from the distribution;

(ii) The Participant's financial need cannot be relieved:

(A) Through reimbursement or compensation by insurance or otherwise,

(B) By liquidation of the Participant's assets, to the extent that such liquidation would not itself cause severe financial hardship, or

(C) By the termination of the Participant's election (if any) with respect to a Bonus Deferral Amount or Salary Deferral Amounts.

4.5 Beneficiaries. The Administrator shall provide to each new Participant a form on which he or she may designate (a) one or more Beneficiaries who shall receive all or a portion of the Distributable Amount upon the Participant's death, including any Beneficiary who shall receive any such amount only in the event of the death of another Beneficiary; and (b) the percentages to be paid to each such Beneficiary (if there is more than one). A Participant may change his or her or her Beneficiary designation from time to time by filing a new form with the Administrator. No such Beneficiary designation shall be effective unless and until the Participant has properly filed the completed form with the Administrator, and a Beneficiary designation form that designates the spouse of a Participant as his Beneficiary (whether or not any other Beneficiary is also designated) shall be void with respect to the designation of the spouse upon the divorce of the Participant and the spouse with the result that the Participant's former spouse shall not be a Beneficiary unless the Participant files a new form with the Administrator and designates his or her former spouse as a Beneficiary.

If a deceased Participant is not survived by a designated Beneficiary or if no Beneficiary was effectively designated, upon the Participant's death, any benefit to which the Participant was then entitled shall be paid in a lump-sum distribution in cash to the Participant's spouse and, if there is no spouse, to the Participant's estate. If a designated Beneficiary is living at the death of the Participant but dies before receiving any or all of the benefit to which the Beneficiary was entitled, such benefit or the remaining portion of such benefit shall be paid in a lump-sum distribution in cash to the estate of the deceased Beneficiary.

## ARTICLE V

### CLAIMS AND ADMINISTRATION

5.1 Applications. A Participant or the Beneficiary of a deceased Participant who is or may be entitled to benefits under this Plan shall apply for such benefits in writing if and as required by the Administrator, in his or her sole discretion.

5.2 Information and Proof. A Participant or the Beneficiary of a deceased Participant shall furnish all information and proof required by the Administrator for the determination of any issue arising under the Plan including, but not limited to, proof of marriage to a Participant or a certified copy of the death certificate of a Participant. The failure by a Participant or the Beneficiary of a deceased Participant to furnish such information or proof promptly and in good faith, or the furnishing of false or fraudulent information or proof by the Participant or Beneficiary, shall be sufficient reason for the denial, suspension, or discontinuance of benefits thereto and the recovery of any benefits paid in reliance thereon.

5.3 Notice of Address Change. Each Participant and any Beneficiary of a deceased Participant who is or may be entitled to benefits under this Plan shall notify the Administrator in writing of any change of his or her address.

#### 5.4 Claims Procedure.

(a) Claim Denial. The Administrator shall provide adequate notice in writing to any Participant or Beneficiary of a deceased Participant whose application for benefits, made in accordance with Section 5.1 of this Plan, has been wholly or partially denied. Such notice shall include the reason(s) for denial, including references, when appropriate, to specific Plan or Trust Agreement provisions; a description of any additional information necessary for the claimant to perfect the claim, if applicable and an explanation of why such information is necessary; and a description of the claimant's right to appeal under Subsection (b) below.

The Administrator shall furnish such notice of a claim denial within ninety (90) days after the date that the Administrator received the claim. If special circumstances require an extension of time for deciding a claim, the Administrator shall notify the claimant in writing thereof within such ninety (90)-day period and shall specify the date a decision on the claim shall be made, which shall not be more than one hundred eighty (180) days after the date that the Administrator received the claim. Then, the Administrator shall furnish any denial notice on the claim by the later date so specified.

(b) Appeal Procedure. A claimant or his or her duly authorized representative shall have the right to file a written request for review of a claim denial within sixty (60) days after receipt of the denial, to review pertinent documents, records and other information relevant to his or her claim without charge (including items used in the determination, even if not relied upon in making the final determination and items demonstrating consistent application and compliance with this Plan's administrative processes and safeguards), and to submit comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination.

(c) Decision Upon Appeal. In considering an appeal made in accordance with Subsection (b) above, the Administrator shall review and consider any written comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination by the claimant or his or her duly authorized representative. The claimant or his or her representative shall not be entitled to appear in person before any representative of the Administrator.

The Administrator shall issue a written decision on an appeal within sixty (60) days after the date the Administrator receives the appeal together with any written comments relating thereto. If special circumstances require an extension of time for a decision on an appeal, the Administrator shall notify the claimant in writing thereof within such sixty (60)-day period. Then, the Administrator shall furnish a written decision on the appeal as soon as possible but no later than one hundred twenty (120) days after the date that the Administrator received the appeal. The decision on the appeal shall be written in a manner calculated to be understood by the claimant and shall include specific references to the pertinent Plan provisions on which the decision is based. If the claimant loses on appeal, the decision shall include the following information provided in a manner calculated to be understood by the claimant: (1) the specific reason(s) for the adverse determination; (2) reference to the specific Plan provisions on which the determination is based; (3) a statement of the claimant's right to receive at no cost information and copies of documents relevant to the claim, even if such information was not relied upon in making determinations; and (4) a statement of the claimant's rights to sue under ERISA.

#### 5.5 Status, Responsibilities, Authority and Immunity of Administrator.

(a) Appointment and Status of Administrator. The Plan Sponsor shall appoint the Administrator. The Plan Sponsor may remove the Administrator and appoint another Administrator or, if the Administrator is a committee, the Plan

Sponsor may remove any or all members of the committee and appoint new members. The Administrator shall be the "administrator" of the Plan, as such term shall be defined in Section 3(16)(A) of ERISA.

(b) Responsibilities and Discretionary Authority. The Administrator shall have absolute and exclusive discretion to manage the Plan and to determine all issues and questions arising in the administration, interpretation, and application of the Plan and the Trust Agreement, including, but not limited to, issues and questions relating to a Participant's eligibility for Plan benefits and to the nature, amount, conditions, and duration of any Plan benefits. Furthermore, the Administrator shall have absolute and exclusive discretion to formulate and to adopt any and all standards for use in calculations required in connection with the Plan and rules, regulations, and procedures that he or she deems necessary or desirable to effectuate the terms of the Plan; provided, however, that the Administrator shall not adopt a rule, regulation, or procedure that shall conflict with this Plan or the Trust Agreement. Subject to the terms of any applicable contract or agreement, any interpretation or application of this Plan or the Trust Agreement by the Administrator, or any rules, regulations, and procedures duly adopted by the Administrator, shall be final and binding upon Employees, Participants, Beneficiaries, and any and all other persons dealing with the Plan.

(c) Delegation of Authority and Reliance on Agents. The Administrator may, in his or her discretion, allocate ministerial duties and responsibilities for the operation and administration of the Plan to one or more persons, who may or may not be Employees, and employ or retain one or more persons, including accountants and attorneys, to render advice with regard to any responsibility of the Administrator.

(d) Reliance on Documents. The Administrator shall incur no liability in relying or in acting upon any instrument, application, notice, request, letter, or other paper or document believed by the Administrator to be genuine, to contain a true statement of facts, and to have been executed or sent by the proper person.

(e) Immunity and Indemnification of Administrator. The Administrator shall not be liable for any of his or her acts or omissions, or the acts or omissions of any employee or agent authorized or retained pursuant to Subsection (c) above by the Administrator, except any act of the Administrator or any such person as constitutes gross negligence or willful misconduct. The Plan Sponsor shall indemnify the Administrator, to the fullest extent permitted by law, if the Administrator is ever made a party or is threatened to be made a party to any threatened, pending, or completed action, suit, claim, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action by or in the right of the Plan Sponsor), by reason of the fact that the Administrator is or was, or relating to the Administrator's actions as, the Administrator, against any expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement that the Administrator incurs as a result of, or in connection with, such action, suit, claim, or proceeding, provided that the Administrator had no reasonable cause to believe that his or her conduct was unlawful.

5.6 Enrollment, Deferral Election and Other Procedures. The Administrator shall adopt and may amend procedures to be followed by Eligible Employees and Participants in electing to participate in this Plan, in electing to have Bonus Deferral Amounts and Salary Deferral Amounts made on their behalf, in selecting a form of distribution of any Distributable Amount, and in taking any other actions required thereby under this Plan. Notwithstanding the foregoing sentence, any enrollment, deferral election and other procedures relating to Section 409A Amounts shall be subject to the provisions of Article IX of the Plan.

5.7 Correction of Prior Incorrect Allocations. Notwithstanding any other provisions of this Plan, in the event that an adjustment to a Performance Shares Account, Benefit Account, Deferral Account, Option Shares Account, Rollover Account, Discretionary Share Account, or Distribution Account shall be required to correct an incorrect allocation to such account, the Administrator shall take such actions as he or she deems, in his or her sole discretion, to be necessary or desirable to correct such prior incorrect allocation.

5.8 Facility of Payment. If the Administrator shall determine that a Participant or the Beneficiary of a deceased Participant to whom a benefit is payable is unable to care for his or her affairs because of illness, accident or other incapacity, the Administrator may, in his or her discretion, direct that any payment otherwise due to the Participant or Beneficiary be paid to the legal guardian or other representative of the Participant or Beneficiary. Furthermore, the Administrator may, in his or her discretion, direct that any payment otherwise due to a minor Participant or Beneficiary of a deceased Participant be paid to the guardian of the minor or the person having custody of the minor. Any payment made in accordance with this Section to a person other than a Participant or the Beneficiary of a deceased Participant shall, to the extent thereof, be a complete discharge of the Plan's obligation to the Participant or Beneficiary.

5.9 Unclaimed Benefits. If the Administrator cannot locate a Participant or the Beneficiary of a deceased Participant to whom payment of benefits under this Plan shall be required, following a diligent effort by the Administrator to locate the Participant or Beneficiary, such benefit shall be forfeited.



## ARTICLE VI

### STATUS OF PLAN AND TRUST AGREEMENT

6.1 Unfunded Status of Plan. The Plan constitutes a mere promise by the Plan Sponsor to pay benefits in accordance with the terms of the Plan, and, to the extent that any person acquires a right to receive benefits from the Plan Sponsor under this Plan, such right shall be no greater than any right of any unsecured general creditor of the Plan Sponsor. Subject to Section 6.2, nothing contained in this Plan and no action taken pursuant to the provisions of this Plan shall create or be construed so as to create a trust of any kind, or a fiduciary relationship between the Plan Sponsor and any Participant, Beneficiary, or other person.

6.2 Shares to be Issued. Effective as of such date previously approved by the Board of Directors, the aggregate number of shares of Common Stock that may be issued by the Plan Sponsor to satisfy the obligations under the Plan shall not exceed four million eight-hundred-sixty-two thousand one-hundred fifty-four (4,862,154) shares of Common Stock (for the avoidance of doubt, this share amount reflects the shares that have been approved by the shareholders of the Plan Sponsor, as adjusted to reflect the application of the antidilution provisions of this Section 6.2 through the Effective Date). The Common Stock may come from treasury shares, authorized but unissued shares, or previously issued shares that the Plan Sponsor reacquires, including shares it purchases on the open market. In the event of a nonreciprocal transaction between the Plan Sponsor and its shareholders that causes the per-share fair value of the Common Stock to change, such as a stock dividend, stock split, spin-off, rights offering, or recapitalization through a large nonrecurring cash dividend, this Section 6.2 of the Plan shall be deemed to be proportionately and appropriately amended to adjust the maximum number of shares of Common Stock subject to the Plan pursuant to this Section.

Solely for purposes of documenting administrative practice under the terms of the Plan, in the event of such a nonreciprocal transaction between the Plan Sponsor and its shareholders that causes the per-share fair value of the Common Stock to change, such as a stock dividend, stock split, spin-off, rights offering, or recapitalization through a large nonrecurring cash dividend, the Performance Shares Accounts, Option Shares Accounts, Deferral Accounts, Benefit Accounts, Rollover Accounts, Discretionary Share Accounts, and Distribution Accounts under the Plan shall be proportionately and appropriately adjusted in the type(s), class(es), number of shares, and Common Stock Price credited to such Performance Shares Accounts, Option Shares Accounts, Deferral Accounts, Benefit Accounts, Rollover Accounts, Discretionary Share Accounts, and Distribution Accounts under the Plan. The Administrator shall make any such adjustments so that the proportionate interest of each Participant immediately following any of the foregoing events will, to the extent practicable, be the same as immediately preceding any such event, and the Administrator's adjustments shall be final, binding, and conclusive.

### 6.3 Existence and Purposes of Trust Agreement.

(a) Existence of Trust Agreement. In accordance with Section 6.1, the Plan Sponsor may enter into a Trust Agreement with a trustee to hold a trust fund that may become the source of Plan benefits as provided in the Trust Agreement, and such trust fund may hold shares of Common Stock. In such event, the trustee would have such powers to hold, invest, reinvest, control, and disburse such trust fund as shall, at such time and from time to time, be set forth in the Trust Agreement or this Plan.

(b) Integration of Trust Agreement. The Trust Agreement shall be deemed to be a part of this Plan, and all rights of Participants and Beneficiaries of deceased Participants under this Plan shall be subject to the provisions of the Trust Agreement, if and as applicable.

(c) Rights to Any Trust Fund Assets. No Participant or Beneficiary of a deceased Participant, nor any other person, shall have any right to, or interest in, any assets of the trust fund maintained under the Trust Agreement upon termination of such Participant's employment or otherwise, except as may be specifically provided from time to time in this Plan, the Trust Agreement, or both, and then only to the extent so specifically provided.

## ARTICLE VII

### PLAN AMENDMENT OR TERMINATION

7.1 Right to Amend. The Plan Sponsor reserves the right to amend the Plan, by action duly taken by its Board of Directors, at any time and from time to time to any extent that the Plan Sponsor may deem advisable, and any such amendment shall take the form of an instrument in writing duly executed by one or more individuals duly authorized by the Board of Directors. Without limiting the generality of the foregoing, the Plan Sponsor specifically reserves the right to amend the Plan retroactively as may be deemed necessary. Notwithstanding the foregoing sentences, the Plan Sponsor shall not amend the Plan so as to change the method of calculating the Benefit Amount attributable to any Performance Shares in any Participant's Performance Shares Account as of the date that such an amendment would otherwise be effective; so as to reduce the balance in the Deferral Account, Benefit Account, Option Shares Account, Rollover Account, Discretionary Share Account, or Distribution Account of any Participant as of such otherwise effective date; or so as to reduce the Vesting Percentage applicable to any Benefit Amount of any Participant that shall have been credited to the Participant's Benefit Account (plus any earnings credited thereon) prior to such otherwise effective date (whether or not such Vesting Percentage shall have been determined pursuant to Section 3.4 as of such date), unless any such amendment shall be reasonably required to comply with applicable law or to preserve the tax treatment of benefits provided under the Plan or is consented to by the affected Participant.

7.2 Right to Terminate. The Plan Sponsor reserves the right to terminate the Plan, by action duly taken by its Board of Directors, at any time as the Plan Sponsor may deem advisable. Upon termination of the Plan, (a) if the trust fund maintained under the Trust Agreement has not become the source for Plan benefits, the Plan Sponsor shall pay or provide for the payment of all liabilities with respect to Participants and Beneficiaries of deceased Participants by distributing amounts to and on behalf of such Participants and Beneficiaries; and (b) if the trust fund maintained under the Trust Agreement has become the source for Plan benefits, the Plan Sponsor shall direct the trustee thereof to pay to or provide for the payment of all reasonable administrative expenses of the Plan and trust fund, and thereafter the Plan Sponsor shall direct such trustee to use and apply the remaining assets of the trust fund to provide for liabilities thereof with respect to Participants and Beneficiaries of deceased Participants by continuing the trust fund and making provision under the Trust Agreement for the payment of such liabilities or by distributing amounts from the trust fund to and on behalf of such Participants and Beneficiaries; provided that, if, after payment or provision for payment of all reasonable administrative expenses of the Plan and trust fund maintained under the Trust Agreement and satisfaction of all liabilities of such trust fund with respect to Participants and Beneficiaries of deceased Participants, there shall be excess assets remaining, the trustee thereof shall pay such excess assets to the Plan Sponsor.

## ARTICLE VIII

### MISCELLANEOUS

8.1 No Guarantee of Employment. Nothing contained in this Plan shall be construed as a contract of employment between any Employee and the Plan Sponsor or any Employer, as a right of any Employee to be continued in any employment position with, or the employment of, the Plan Sponsor or any Employer, or as a limitation of the right of the Plan Sponsor or any Employer to discharge any Employee.

8.2 Nonalienation of Benefits. Any benefits or rights to benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any such liability that is for alimony or other payments for the support of a Beneficiary or former Beneficiary, or for the support of any other relative, before payment thereof is received by the Participant, Beneficiary of a deceased Participant, or other person entitled to the benefit under the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable under this Plan shall be void; provided, however, that this Section shall not prohibit the Administrator from offsetting, pursuant to Section 8.3 of this Plan, any payments due to a Participant, the Beneficiary of a deceased Participant, or any other person who may be entitled to receive a benefit under this Plan.

8.3 Offset of Benefits. Notwithstanding anything in this Plan to the contrary, in the event that a Participant or the Beneficiary of a deceased Participant owes any amount to the Plan, the Plan Sponsor, or any other Employer, whether as a result of an overpayment or otherwise, the Administrator may, in his or her discretion, offset the amount owed or any percentage thereof in any manner against any payments due from the Plan to the Participant or Beneficiary.

8.4 Taxes. Neither the Plan Sponsor nor any Employer represents or guarantees that any particular federal, state, or local income, payroll, personal property or other tax consequence will result from participation in this Plan or payment of benefits under this Plan. Notwithstanding anything in this Plan to the contrary, the Administrator may, in his or her sole discretion, deduct and withhold applicable taxes from any payment of benefits under this Plan. For the avoidance of doubt, each Participant and Beneficiary shall be responsible for any and all taxes, interest, and penalties with respect to his or her Section 409A Amounts. The Administrator also may permit such obligations to be satisfied by the transfer to the Plan Sponsor or any Employer of cash, shares of Common Stock, or other property.

8.5 Timing of Distributions. The provisions of this Section 8.5 shall apply notwithstanding any provisions of the Plan to the contrary. The timing of all distributions under the Plan is subject to the Plan Sponsor's and any Employer's deduction limitations under Code Section 162(m). Distributions instituted during a period during which the Plan Sponsor prevents trading in Common Stock (a "blackout period") will not be effective until the first business day following the end of the blackout period. The Administrator also may, in his or her sole discretion, postpone any distribution to comply with applicable law or internal policies of the Plan Sponsor.

8.6 Not Compensation Under Other Benefit Plans. No amounts in a Participant's Benefit Account, Discretionary Share Account or Deferral Account shall be deemed to be salary or compensation for purposes of the 401(k) Plan or any other employee benefit plan of the Plan Sponsor or any Employer except as and to the extent otherwise specifically provided in any such plan.

8.7 Merger or Consolidation of Plan Sponsor. If the Plan Sponsor is merged or consolidated with another organization, or another organization acquires all or substantially all of the Plan Sponsor's assets, such organization may become the "Plan Sponsor" hereunder by action of its board of directors and by action of the board of directors of the Plan Sponsor if still existent. Such change in plan sponsors shall not be deemed to be a termination of this Plan.

8.8 Savings Clause. If any term, covenant, or condition of this Plan, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable, the remainder of this Plan, or the application of any such term, covenant, or condition to persons or circumstances other than those as to which it has been held to be invalid or unenforceable, shall not be affected thereby, and, except to the extent of any such invalidity or unenforceability, this Plan and each term, covenant, and condition hereof shall be valid and shall be enforced to the fullest extent permitted by law.

8.9 Governing Law. This Plan shall be construed, regulated and administered under the laws of the State of Delaware to the extent not preempted by ERISA or any other federal law.

8.10 Construction. As used in this Plan, the masculine and feminine gender shall be deemed to include the neuter gender, as appropriate, and the singular or plural number shall be deemed to include the other, as appropriate, unless the context clearly indicates to the contrary.

8.11 Headings No Part of Agreement. Headings of articles, sections and subsections of this Plan are inserted for convenience of reference; they constitute no part of the Plan and are not to be considered in the construction of the Plan.

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## ARTICLE IX

### SPECIAL PROVISIONS APPLICABLE TO SECTION 409A AMOUNTS

9.1 Scope. The provisions of this Article IX shall apply to Section 409A Amounts only and shall not apply to any Grandfathered Amounts. If the provisions of this Article IX conflict with any other provisions of the Plan, the provisions of this Article IX shall control.

9.2 Special Provisions. Notwithstanding any provision of Articles III and IV of the Plan and Section 5.6 of the Plan, with respect to a Participant:

(a) Elections. With respect to any Section 409A Amount and in addition to any enrollment form and election requirements provided for in the Plan or established by the Administrator, any election for a Plan Year shall be made not later than December 31 of the calendar year immediately preceding such Plan Year; provided, however, that, in the case of the first Plan Year in which a Participant becomes an Eligible Employee, any election for the portion of the Plan Year during which the Participant is an Eligible Employee shall be made within thirty (30) days after the date the Participant first becomes an Eligible Employee.

(b) Form and Medium of Distribution. Any election made with respect to a Section 409A Amount pursuant to Section 9.2(a) above shall specify the form and medium of distribution with respect to that Section 409A Amount. The form of distribution so elected by a Participant shall be one of the forms of distribution set forth in Section 4.1(a) of the Plan and shall be subject to the restriction in Section 4.1(a)(ii) of the Plan concerning the availability of installment payments. The medium of distribution shall be specified in accordance with Section 4.1(b) of the Plan.

(c) Default Form of Payment. Notwithstanding Section 4.2(b)(i)(B) of the Plan, with respect to any Participant who has both attained age fifty-five (55) and completed at least five (5) Years of Service, if such Participant fails to elect a form of distribution with respect to any Section 409A Amount, the Participant shall be deemed to have elected to have such Section 409A Amount paid in the form of five (5) installment payments in accordance with the payment frequency set forth in Section 9.2(d) below.

(d) Timing of Payment. Notwithstanding Article IV of the Plan and specifically Sections 4.2(c) and (e) of the Plan, the Distribution Date for a Section 409A Amount (or the first installment of a Section 409A Amount, if applicable) shall be no earlier than the first day of the month following the last day of the six (6) month period commencing on the Participant's Employment Termination Date. In accordance with procedures established by the Administrator pursuant to Article V, a Participant may elect one of the following Distribution Dates with respect to each Section 409A Amount: (i) the first day of the month following the last day of the six (6) month period commencing on the Participant's Employment Termination Date; (ii) the first day of the month following the last day of the twelve (12) month period commencing on the Participant's Employment Termination Date; or (iii) the first day of the month following the last day of the twenty-four (24) month period commencing on the Participant's Employment Termination Date.

If pursuant to the terms of the Plan a Section 409A Amount is to be distributed in installments, the second installment of the Section 409A Amount shall be made on January 15 of the calendar year following the date of payment of the initial installment, and each subsequent installment thereafter (if any) shall be made on each January 15 thereafter until all installment payments of a Section 409A Amount have been paid to the Participant. In the avoidance of doubt, the amount of each installment payment of a Section 409A Amount shall equal the quotient of (i) the total Section 409A Amount to be distributed, divided by (ii) the number of installment payments remaining in the applicable period of annual installments.

(e) Subsequent Changes in Time of Payment and Form of Distribution. With respect to a Section 409A Amount, a Participant may elect to delay a payment of the Section 409A or to change the form of distribution of the Section 409A Amount provided that the following conditions are met:

(i) Any election under this Section 9.2(e) shall not take effect until a date that is at least twelve (12) months after the date on which the election is made.

(ii) The payment with respect to which an election under this Section 9.2(e) is made shall be deferred for a period of not less than five (5) years from the date such payment would otherwise have been paid.

(iii) Any election under this Section 9.2(e) shall be made on a date that is not less than twelve (12) months prior to the date the payment is originally scheduled to be made.

(f) Permitted Payment Delays. Notwithstanding Section 8.5 of the Plan and in addition to the foregoing provisions of this Section 9.2, a payment of a Section 409A Amount to a Participant may be delayed to a date after the

designated payment date under either of the following two circumstances:

(i) Where the Plan Sponsor reasonably anticipates that an Employer's deduction with respect to the payment of a Section 409A Amount would otherwise be limited or eliminated by application of Code Section 162(m); provided, however, that such payment shall be made to the Participant (i) during the Participant's first taxable year in which the Plan Sponsor reasonably anticipates that the deduction of such payment will not be limited or eliminated by the application of Code Section 162(m), or, if later, (ii) during the period beginning with the Participant's Employment Termination Date and ending on the later of (A) the last day of the taxable year of the Plan Sponsor in which the Participant's Employment Termination Date occurs or (B) the fifteenth (15<sup>th</sup>) day of the third month following the Participant's Employment Termination Date.

(ii) Where the Plan Sponsor reasonably anticipates that the making of the payment of the Section 409A Amount will violate Federal Securities laws or other applicable law; provided, however, that such payment will be made to the Participant at the earliest date at which the Plan Sponsor reasonably anticipates that the making of such payment will not cause such violation.

(g) Unforeseeable Emergency. For the avoidance of doubt, the provisions of Section 4.4 of the Plan shall apply to any Bonus Deferral Amounts and any Salary Deferral Amounts that are considered to be Section 409A Amounts.

(h) Plan Termination. Notwithstanding the provisions of Section 7.2 of the Plan, the termination of the Plan shall not accelerate the time and form of payment of any Section 409A Amount except when the Plan Sponsor elects to terminate the Plan in accordance with one of the following:

(i) The Plan Sponsor elects to terminate the Plan within twelve (12) months of a corporate dissolution taxed under Code Section 331 or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the Section 409A Amounts are included in Participants' gross incomes in the latest of (a) the calendar year in which the Plan termination occurs, (b) the calendar year in which the Section 409A Amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which the payment of the Section 409A Amount is administratively practical.

(ii) The Plan Sponsor elects to terminate the Plan under the following conditions: (a) the Employer terminates all arrangements sponsored by the Employer that would be aggregated with any terminated arrangements under the regulations promulgated under Code Section 409A if the same Participant had deferrals of compensation under all such terminated arrangements; (b) no payments (other than payments that would be payable under the terms of the arrangements if the termination had not occurred) are made within twelve (12) months of the termination of the arrangements; (c) all payments are made within twenty-four (24) months of the termination of the arrangements; and (d) no Employer adopts a new arrangement that would be aggregated with any terminated arrangement under the regulations promulgated under Code Section 409A if the same Participant participated in both arrangements, at any time within five (5) years following the date of termination of the Plan.

(iii) The Plan Sponsor elects to terminate the Plan in accordance with any such other events and conditions that the Commissioner of the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

(iv) The Plan Sponsor has irrevocably terminated the Plan with respect to all NetScout Acquired Participants as of August 18, 2015, consistent with the requirements of Treasury Regulation section 1.409A-3(j)(4)(ix)(B) as a result of the change in control event (as defined by Treasury Regulation section 1.409A-3(i)(5)) on or about July 14, 2015, whereby certain affiliated entities of the Plan Sponsor had a change in control event and became a member of the NetScout Systems, Inc. controlled group. Consistent with this termination, all amounts of compensation deferred under the Plan and amounts subject to Code section 409A under all other plans and arrangements treated as a single plan with the EDIP under Treasury Regulation section 1.409A-1(c)(2) with respect to NetScout Acquired Participants shall be distributed within 12 months of August 18, 2015.

(i) Definition of Payment. With respect to a Section 409A Amount, the entitlement to a series of installment payments shall be treated as the entitlement to a single payment, and each such installment payment shall not be considered a separate payment hereunder.

(j) Discretionary Share Accounts. Notwithstanding anything herein to the contrary, any amounts attributable to a Participant's Discretionary Share Account shall be paid as lump-sum distribution in shares of Common Stock on the first day of the month following the last day of the six (6) month period commencing on the Participant's Employment Termination Date. A Participant may not elect to delay a payment or change the form of distribution of any amount attributable to his or her Discretionary Share Account.

9.3 Payments to a Beneficiary. Notwithstanding Section 4.2(e) of the Plan, with respect to any Section 409A Amounts, if a Participant elected to receive the Distributable Amount in the form of annual installments and the Participant dies prior to receiving all of such annual installments, the Beneficiary of the deceased Participant shall receive such remaining payments as a lump-sum in accordance with Section 4.2(b)(ii) of the Plan.

9.4 Class Year Accounting. Section 409A Amounts credited on a Participant's behalf with respect to Plan Years beginning on or after January 1, 2013, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be administered under this Plan by Class Year. For the avoidance of doubt, as stated in Section 1.59, the aggregate of a Participant's Salary Deferral Amount (if any), Bonus Deferral Amount (if any), and Benefit Amount (if any) for each Class Year, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be deemed a separate Section 409A Amount for all purposes under this Plan, including, but not limited to, the provisions of Section 9.2.

(a) Elections. In accordance with procedures established by the Administrator pursuant to Article V and Section 9.2, a Participant shall make a separate election for each Class Year, commencing with the Class Year 2013, for which the Participant shall specify (i) the form and medium of distribution and (ii) the time for payment, and each such election for a Class Year shall apply to the aggregate of the Participant's Salary Deferral Amount (if any), Bonus Deferral Amount (if any), and Benefit Amount (if any) for that Class Year, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan. The Plan's default form of payment and time for payment provisions under Section 4.2(b)(i)(B), Section 9.2(c), and Section 9.2(d), as applicable, shall apply to any Participant who fails to make an election for a Class Year.

(b) Subsequent Changes in Class Year Elections. The provisions of Section 9.2(e) permitting payment delays and changes in the form of distribution subject to certain conditions set forth therein shall be administered separately with respect to a Participant's Section 409A Amount for each Class Year. An election to delay payment, or change the form of distribution, for a Section 409A Amount for one Class Year shall not affect the time for payment and form of distribution elections for the Section 409A Amount for another Class Year.

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**DANAHER CORPORATION & SUBSIDIARIES  
EXECUTIVE DEFERRED INCENTIVE PROGRAM**

APPENDIX A

APPLICABLE PERCENTAGE

**I. Effective Prior to January 1, 2004:**

<u>Target Compensation</u>	<u>Age of Participant</u>	
	<u>Under 40</u>	<u>40 and Over</u>
Less than \$150,000	3.5%	4.5%
Greater than or equal to \$150,000	5.5%	6.5%

**II. Effective On and After January 1, 2004:**

<u>Years of Participation</u>	
0-10	6%
11-15	8%
Greater than 15	10%

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**DANAHER CORPORATION & SUBSIDIARIES  
EXECUTIVE DEFERRED INCENTIVE PROGRAM**

APPENDIX B

PRESENT VALUE FACTORS

PV Factor 1+2+3	2.6
PV Factor 1+2	1.8
PV Factor 1	0.9

I. **Effective Prior to January 1, 2004:**

MONTHS FACTORS

<u>Months Factor</u>	<u>PV Factor O</u>
12	.9
11	.8
10	.8
9	.8
8	.8
7	.9
6	1.0
5	1.0
4	1.0
3	1.0
2	1.0
1	1.0

II. **Effective Prior to January 1, 2004:**

MONTHS FACTORS

<u>Eligibility Date</u>	<u>Prorata Factor</u>
January 1 <sup>st</sup>	1.00
February 1 <sup>st</sup>	0.92
March 1 <sup>st</sup>	0.83
April 1 <sup>st</sup>	0.75
May 1 <sup>st</sup>	0.67
June 1 <sup>st</sup>	0.50
July 1 <sup>st</sup>	0.50
August 1 <sup>st</sup>	0.42
September 1 <sup>st</sup>	0.33
October 1 <sup>st</sup>	0.25

November 1 <sup>st</sup>	0.17
December 1 <sup>st</sup>	0.08

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**DANAHER CORPORATION & SUBSIDIARIES  
EXECUTIVE DEFERRED INCENTIVE PROGRAM**

APPENDIX C

TRANSFER OF LIABILITIES TO  
FORTIVE EXECUTIVE DEFERRED INCENTIVE PROGRAM

On or around July 2, 2016, certain Employers separated from the Danaher Corporation controlled group and became Fortive Corporation and its subsidiaries (“Fortive”). In anticipation of such event, the Plan liabilities and benefits related to those Participants who were to be employed by Fortive (“Fortive Participants”), including amounts not subject to Code Section 409A (i.e., amounts deferred and vested prior to January 1, 2005, and earnings related thereto), were transferred to the Fortive Executive Deferred Incentive Program (“Fortive EDIP”), effective as of the close of the New York Stock Exchange on May 31, 2016. After the transfer of the Plan liabilities to the Fortive EDIP on May 31, 2016, the Plan Sponsor, the Plan, any directors, officers, or employees of the Plan Sponsor, and any successors thereto, have no further obligation or liability to any such individual with respect to any benefit, amount, or right due under the Plan.

On and after the transfer of the Plan liabilities to the Fortive EDIP on May 31, 2016, the Employers that were intended to become members of the Fortive controlled group on or around July 2, 2016 ceased to participate in the Plan.

On and after the transfer of the Plan liabilities to the Fortive EDIP on May 31, 2016, Fortive Participants ceased participation in the Plan, but became participants in the Fortive EDIP in accordance with the terms therein; provided, that any irrevocable deferral election for 2016 in effect under the Plan for a Fortive Participant at the time of such transfer remained in effect during 2016 in the Fortive EDIP, and provided further that any distribution election applicable to the Plan benefit of a Fortive Participant immediately before the transfer continued to apply to the liabilities and benefits transferred to the Fortive EDIP, in accordance with the terms therein.

**DANAHER EXCESS CONTRIBUTION PROGRAM  
AS ESTABLISHED AS A SUB-PLAN UNDER THE  
DANAHER CORPORATION 2007 OMNIBUS INCENTIVE PLAN,  
AS AMENDED AND RESTATED**

**AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2019**

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**DANAHER EXCESS CONTRIBUTION PROGRAM  
AS ESTABLISHED AS A SUB-PLAN UNDER THE  
DANAHER CORPORATION 2007 OMNIBUS INCENTIVE PLAN,  
AS AMENDED AND RESTATED**

WHEREAS, Danaher Corporation sponsors the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated (the “Omnibus Incentive Plan”); and

WHEREAS, effective January 1, 2019, the Program Sponsor established this Danaher Excess Contribution Program as Established as a Sub-Plan Under the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated (the “Program”) as a sub-plan under the Omnibus Incentive Plan to offer deferred compensation in the form of Other Stock-Based Awards to a select group of management and highly compensated employees of Danaher Corporation to be paid in the form of Danaher Corporation common stock; and

WHEREAS, the Program Sponsor now desires to amend and restate this Program, effective as of January 1, 2019, to permit the Program Sponsor to make discretionary credits to certain Program participants’ accounts from time to time.

NOW, THEREFORE, in order to accomplish such purpose, the Program Sponsor has adopted this amendment and restatement to the Program, effective as of January 1, 2019. It is intended that the Program shall be unfunded for purposes of the Code and shall constitute an unfunded pension plan maintained for a select group of management and highly compensated employees for purposes of Title I of ERISA, and shall comply with Code section 409A and all formal regulations, rulings, and guidance issued thereunder. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Omnibus Incentive Plan.

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ARTICLE I  
DEFINITIONS

As used in this Program, each of the following terms shall have the respective meaning set forth below unless a different meaning is plainly required by the content.

1.1 Account. A bookkeeping account established under Article V to which a Participant's Matching Contributions, Non-Elective Contributions, and Discretionary Contributions (if any) are allocated. A Participant's Employer Contribution Account shall contain a Matching Contribution Subaccount, a Non-Elective Contribution Subaccount, and a Discretionary Contribution Subaccount.

1.2 Administrator. The individual or committee appointed by the Program Sponsor to administer the Program in accordance with Section 4 of the Omnibus Incentive Plan.

1.3 Beneficiary. An individual or entity entitled to receive any benefits under this Program that are payable upon a Participant's death.

1.4 Bonus. With respect to a Participant for a Program Year, the amount for the Program Year that shall be determined to have been earned by the Participant in accordance with the Employer's annual cash incentive program.

1.5 Bonus Deferral Amount. The term "Bonus Deferral Amount" shall have the same meaning as such term is defined under the DCP.

1.6 Code. The Internal Revenue Code of 1986, as it may be amended from time to time.

1.7 Common Stock. The common stock of the Program Sponsor.

1.8 Common Stock Price. With respect to a specified date as of which the price of shares of Common Stock shall be determined, the closing sale price on that date or, if the given date is not a trading day, the closing sale price for the immediately preceding trading day.

1.9 DCP. The Danaher Deferred Compensation Plan, as it may be amended from time to time.

1.9A Discretionary Contributions. Contributions credited pursuant to Section 3.2A.

1.9B Discretionary Contribution Subaccount. With respect to a Participant, a subaccount of his Account maintained on behalf of the Participant to record any Notional Shares attributable to Discretionary Contributions, including any Dividend Equivalents credited thereto and any distributions debited therefrom in accordance with the terms of this Program

1.10 Dividend Equivalents. The term "Dividend Equivalents" shall have the same meaning as such term is defined under the Omnibus Incentive Plan.

1.11 EDIP. The Danaher Corporation & Subsidiaries Executive Deferred Incentive Program, as it may be amended from time to time.

1.12 Effective Date. January 1, 2019.

1.13 Eligible Employee. An Employee who, pursuant to a determination made by the Administrator, in its sole discretion, prior to the first day of an applicable Program Year, is an Eligible Employee with respect to such Program Year. The Administrator may, in its sole discretion, designate any newly hired Employee as an Eligible Employee under the Program, but only to the extent the Administrator determines such newly hired Employee belongs in a select group of management or highly compensated employees within the meaning of ERISA sections 201(2), 301(a)(3) and 401(a)(1). Notwithstanding the foregoing, an active participant in the EDIP who has not affirmatively elected to participate in this Program shall not be an Eligible Employee.

1.14 Employee. An Employee is an employee who performs services for an Employer.

1.15 Employer. (a) The Program Sponsor or (b) any Subsidiary of the Program Sponsor that has adopted this Program with the approval of the Program Sponsor.

1.16 Employment Termination Date. With respect to a Participant, the date that the Participant separates from service with all Employers, whether by death, retirement, or other termination of employment, in a manner consistent with the definition in Treasury Regulation section 1.409A-1(h).

1.17 ERISA. The Employee Retirement Income Security Act of 1974, as it may be amended from time to time

1.18 Matching Compensation. An amount equal to the sum of:

(a) The Salary and Bonus earned by the Participant (if any) in a Program Year which exceeds the dollar limitation set forth in Code section 401(a)(17) for that Program Year; plus

(b) All amounts earned by the Participant (if any) in a Program Year and deferred under Section 3.1 of the DCP, but only to the extent such amounts have not been included in the amount described in (a) above.

1.19 Matching Contribution Subaccount. With respect to a Participant, a subaccount of his Account maintained on behalf of the Participant to record any Notional Shares attributable to Matching Contributions, including any Dividend Equivalents credited thereto and any distributions debited therefrom in accordance with the terms of this Program.

1.20 Matching Contributions. Contributions credited pursuant to Section 3.1.

1.21 Non-Elective Compensation. With respect to a Program Year, an amount equal to the sum of the following which is in excess of the dollar limitation set forth in Code section 401(a)(17) for that Program Year:

(a) The Participant's annualized rate of base salary as of December 31 of the calendar year preceding the Program Year; plus

(b) The Participant's target annual cash incentive as of December 31 of the calendar year preceding the Program Year.

1.22 Non-Elective Contribution Subaccount. With respect to a Participant, a subaccount of his Account maintained on behalf of the Participant to record any Notional Shares attributable to Non-Elective Contributions, including any Dividend Equivalents credited thereto and any distributions debited therefrom in accordance with the terms of this Program.

1.23 Non-Elective Contributions. Contributions credited pursuant to Section 3.2.

1.24 Notional Share. A fictitious share of Common Stock which is a unit of measurement of the amount payable to a Participant under the Program and does not constitute Common Stock or any other equity interest in any Employer and does not have any rights of equity ownership in any Employer. The crediting of a Notional Share under the Program shall be treated as a grant of an Other Stock-Based Award under the Omnibus Incentive Plan; provided, however, that a Notional Share credited under the Program on account of a dividend pursuant to Section 3.3(d) shall be treated as a Dividend Equivalent.

1.25 Omnibus Incentive Plan. The Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated, and as may be further amended from time to time, or any successor thereto.

1.26 Participant. An Eligible Employee or former Eligible Employee who is participating in this Program pursuant to Article II.

1.27 Payroll Period. With respect to an Eligible Employee, a period with respect to which the Eligible Employee receives a pay check or otherwise is paid for services that he or she performs during the period for an Employer.

1.28 Program. The Danaher Excess Contribution Program as Established as a Sub-Plan Under the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated, as it is set forth herein and as it may be amended from time to time.

1.29 Program Sponsor. Danaher Corporation.

1.30 Program Year. The calendar year.

1.31 Salary. With respect to a Participant for a Payroll Period, the total cash compensation (if any) that is payable to the Participant by any Employer during the Payroll Period and that would be reportable on the Participant's federal income tax withholding statement (Form W-2) or would be reportable but such amount is not includible in the gross income of the Participant under Code Sections 125, 132(f)(4), or 402(e)(3), including but not limited to salary and overtime pay, plus remuneration as defined in Code Section 3401(a)(8)(A) to the extent not otherwise reported on the Participant's Form W-2 (excluding housing, COLA, tax equalization, hardship and special allowances); but excluding amounts attributable to Bonuses, hiring bonuses, long-term incentive awards, equity awards, exercised stock options, severance benefits or other variable compensation.



- 1.32 Salary Deferral Amount. The term “Salary Deferral Amount” shall have the same meaning as such term is defined under the DCP.
- 1.33 Subsidiary. The term “Subsidiary” shall have the same meaning as such term is defined under the Omnibus Incentive Plan.
- 1.34 Valuation Date. The monthly or other periodic date selected by the Administrator to value Participants’ Accounts.
- 1.35 Year of Service. With respect to a Participant, a Year of Service has the same meaning as defined in the Danaher Corporation & Subsidiaries Savings Plan, as it may be amended from time to time.
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ARTICLE II  
PARTICIPATION

2.1 Commencement of Participation. An Eligible Employee shall become a Participant as of the date that is the first (1st) day of a month and that coincides with or follows the later of January 1, 2019, or the date that the individual became an Eligible Employee.

2.2 Termination of Participation. A Participant who ceases being an Employee or an Eligible Employee shall cease being a Participant as of the earlier of the Participant's date of death or the date as of which the Participant's vested portion of his or her Account (as determined subsequent to any crediting of his or her Account under the Program) equals zero (0).

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## ARTICLE III

### CREDITING OF ACCOUNTS

3.1 Matching Contributions. As of the February 1 immediately following the end of each Program Year, the Account of each Participant who is not an active participant in the EDIP shall be credited with a Matching Contribution in an amount, if any, which shall be equal to:

(a) 100% of the Salary Deferral Amounts and Bonus Deferral Amounts credited to the Participant's account under the DCP for such Program Year while the Participant is an Employee, but not in excess of 3% of the Participant's Matching Compensation for such Program Year; plus

(b) 50% of the Salary Deferral Amounts and Bonus Deferral Amounts credited to the Participant's account under the DCP for such Program Year while the Participant is an Employee, in excess of 3% but not in excess of 5% of the Participant's Matching Compensation for such Program Year.

### 3.2 Non-Elective Contributions.

(a) As of the February 1 immediately following the end of each Program Year, the Account of each Participant who is not an active participant in the EDIP shall be credited with a Non-Elective Contribution in an amount, if any, which shall be equal to four percent (4%) of such Participant's Non-Elective Compensation for such Program Year.

(b) As of February 1, 2019, the Account of each Participant who participated in the EDIP on December 31, 2018 and affirmatively elected to participate in this Program shall be credited with a Non-Elective Contribution in an amount, if any, which shall be equal to eight percent (8%) of such Participant's Non-Elective Compensation using the Participant's annualized rate of base salary and target annual cash incentive determined as of December 31, 2018.

3.2A Discretionary Contributions. The Program Sponsor may elect during any Program Year to credit a Discretionary Contribution to a Participant's Account at such time and in such amount as may be determined by the Program Sponsor in its sole discretion.

3.3 Crediting of Contributions. All amounts credited to a Participant under the Program shall be credited to the Participant's Matching Contribution Subaccount, Non-Elective Contribution Subaccount or Discretionary Contribution Subaccount as Notional Shares, as follows:

(a) The number of Notional Shares credited to a Participant's Matching Contribution Subaccount will be equal to the dollar amount of the Matching Contribution credited to the Participant for the applicable Program Year, divided by the Common Stock Price on the day before the crediting date in Section 3.1 (rounded up to the next whole share).

(b) The number of Notional Shares credited to a Participant's Non-Elective Contribution Subaccount will be equal to the dollar amount of the Non-Elective Contribution made with respect to the Participant for the applicable Program Year, divided by the Common Stock Price on the day before the crediting date in Section 3.2 (rounded up to the next whole share).

(c) The number of Notional Shares credited to a Participant's Discretionary Contribution Subaccount will be equal to the dollar amount of the Discretionary Contribution credited to the Participant for the applicable Program Year, divided by the Common Stock Price on the day before the crediting date in Section 3.2A (rounded up to the next whole share).

(d) In the event a cash dividend is declared on Common Stock, a Participant's Matching Contribution Subaccount, Non-Elective Contribution Subaccount and Discretionary Contribution Subaccount shall be credited with additional Notional Shares equal to the dividend on the number of Notional Shares credited to the applicable subaccount divided by the Common Stock Price on the day the dividend is paid.

ARTICLE IV  
VESTING OF ACCOUNTS

4.1 Vesting.

(a) One-Year Vesting Threshold. A Notional Share credited to a Participant's Matching Contribution Subaccount, Non-Elective Contribution Subaccount or Discretionary Contribution Subaccount shall be unvested prior to the first anniversary of the date such Notional Share is so credited. On and after such first anniversary, such Notional Share shall be vested in accordance with Section 4.1(b) or (c), as applicable.

(b) Matching Contribution Subaccount. On and after the first anniversary of the date a Notional Share is credited to a Participant's Matching Contribution Subaccount or Discretionary Contribution Subaccount, such Notional Share shall be vested.

(c) Non-Elective Contribution Subaccount. Except as otherwise determined by the Administrator in its sole discretion, on and after the first anniversary of the date a Notional Share is credited to a Participant's Non-Elective Contribution Subaccount, such Notional Share shall be vested if the Participant has completed three (3) Years of Service.

(d) Dividends. A Notional Share credited on account of a dividend pursuant to Section 3.3(d) shall be vested to the same extent the underlying Notional Share is vested.

(e) Accelerated Vesting on Death. Notwithstanding anything in this Section 4.1 to the contrary, if a Participant dies while still an Employee, all Notional Shares credited to his or her Account shall be vested.

4.2 Forfeiture of Unvested Amounts. Notwithstanding the foregoing, a Participant shall permanently forfeit the portion of his or her Account which is unvested at the time of the Participant's Employment Termination Date.

4.3 Gross Misconduct Exception to Vesting. If the Administrator determines, in his or her sole discretion, that the circumstances of and/or surrounding the Participant's separation from service constitute gross misconduct on the part of the Participant, the Administrator may, in his or her sole discretion, determine that the Participant's vested interest in his or her Account shall be reduced to as low as zero percent (0%).

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ARTICLE V  
DISTRIBUTION OF BENEFITS

5.1 Establishment of Accounts.

At the time a Participant is first credited with a Notional Share in accordance with Article III, an Account shall be established on behalf of such Participant.

- (a) Timing. Subject to Section 5.1(d) below, the Participant's Account shall be paid as of the first day of the month following the Participant's Employment Termination Date.
- (b) Form. The Participant's Account shall be paid in a lump sum.
- (c) Medium. Each whole Notional Share in the Participant's Account shall be paid as one (1) share of Common Stock. Fractional Notional Shares shall be paid in accordance with Section 5(e) of the Omnibus Incentive Plan.
- (d) Special Payment Rule for Specified Employees. Notwithstanding the foregoing, distributions may not be made to a Specified Employee due to the Participant's Employment Termination Date other than on account of death before the first day of the month following the last day of the six (6) month period commencing on the Participant's Employment Termination Date, or, if earlier, the Participant's date of death.

For purposes of the Program, "Specified Employee" shall mean an Employee who is a "key employee" as such term is defined in Code section 416(i) without regard to Code section 416(i)(5). For purposes of determining which Employees are key employees, an Employee is a key employee if the Employee meets the requirements of Code section 416(i)(A)(i), (ii) or (iii) (applied in accordance with the regulations thereunder and disregarding Code section 416(i)(5)) at any time during the 12-month period ending on an identification date (which shall be December 31<sup>st</sup> of each calendar year); provided, however, that all Employees who are nonresident aliens during the entire 12-month period ending with the relevant identification date shall be excluded in any such determination.

5.2 Distributions upon Death.

(a) Acceleration of Payment. Upon the death of a Participant, the Beneficiary or Beneficiaries of the deceased Participant shall receive the remaining unpaid portion of the Participant's Account as a lump sum as soon as practicable following the Participant's death, but no later than the last day of the first Plan Year following the Plan Year in which the Participant's death occurred.

(b) Beneficiaries. The Administrator shall provide to each new Participant a form on which he or she may designate (i) one or more Beneficiaries who shall receive all or a portion of the Participant's Account upon the Participant's death, including any Beneficiary who shall receive any such amount only in the event of the death of another Beneficiary; and (ii) the percentages to be paid to each such Beneficiary (if there is more than one). A Participant may change his or her Beneficiary designation from time to time by filing a new form with the Administrator. No such Beneficiary designation shall be effective unless and until the Participant has properly filed the completed form with the Administrator in accordance with procedures established by the Administrator. A Beneficiary designation form that designates the spouse of a Participant as his or her Beneficiary (whether or not any other Beneficiary is also designated) shall be void with respect to the designation of the spouse upon the divorce of the Participant and the spouse with the result that the Participant's former spouse shall not be a Beneficiary unless the Participant files a new form with the Administrator and designates his or her former spouse as a Beneficiary. If a deceased Participant is not survived by a designated Beneficiary or if no Beneficiary was effectively designated, the Participant's Beneficiary shall be deemed to be the Participant's spouse and, if there is no spouse, the Participant's estate. If a designated Beneficiary is living at the death of the Participant but dies before receiving any or all of the portion of the Account to which the Beneficiary was entitled, such remaining portion shall be paid in a lump sum to the estate of the deceased Beneficiary as soon as practicable following the Beneficiary's death, but no later than the last day of the first Plan Year following the Plan Year in which the Beneficiary's death occurred.

5.3 In-Service Distribution for Unforeseeable Emergency. The Administrator may, but shall not be required to, establish procedures under which an in-service distribution may be made to a Participant of all or a part of his Account in the event that the Participant has an unforeseeable emergency, as described in Subsection (a) below, and the distribution is reasonably needed to satisfy the unforeseeable emergency, as described in Subsection (b) below, and the distribution complies with Treasury Regulation section 1.409A-3(a)(6):

(a) Unforeseeable Emergency. With respect to a Participant, an unforeseeable emergency is severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a

“dependent” of the Participant, as such term shall be defined in Code Section 152(a); loss of the Participant’s property due to casualty; or another similar extraordinary and unforeseeable set of circumstances arising as a result of events beyond the control of the Participant.

(b) Distribution Reasonably Necessary to Satisfy Emergency. A distribution shall be deemed to be reasonably necessary to satisfy a Participant’s unforeseeable emergency if the following requirements are met and the distribution otherwise complies with Treasury Regulation section 1.409A-3(i)(3)(ii):

(i) The distribution does not exceed the amount of the Participant’s financial need plus amounts necessary to pay any income taxes or penalties reasonably anticipated to result from the distribution;

(ii) The Participant’s financial need cannot be relieved:

(A) Through reimbursement or compensation by insurance or otherwise,

(B) By liquidation of the Participant’s assets, to the extent that such liquidation would not itself cause severe financial hardship, or

(C) By the termination of the Participant’s election (if any) under the DCP with respect to a Bonus Deferral Amount or Salary Deferral Amounts.

5.4 Permitted Payment Delays. To the extent compliant with Code section 409A, payment of a Participant’s Account may be delayed to a date after the designated payment date under either of the following two circumstances:

(a) Where the Program Sponsor reasonably anticipates that an Employer’s deduction with respect to the payment of an amount would otherwise be limited or eliminated by application of Code section 162(m); provided, however, that such payment shall be made to the Participant (i) during the Participant’s first taxable year in which the Program Sponsor reasonably anticipates that the deduction of such payment will not be limited or eliminated by the application of Code section 162(m), or, if later, (ii) during the period beginning with the Participant’s Employment Termination Date and ending on the later of (A) the last day of the taxable year of the Program Sponsor in which the Participant’s Employment Termination Date occurs or (B) the fifteenth (15<sup>th</sup>) day of the third month following the Participant’s Employment Termination Date.

(b) Where the Program Sponsor reasonably anticipates that the making of the payment of the amount will violate Federal Securities laws or other applicable law; provided, however, that such payment will be made to the Participant at the earliest date at which the Program Sponsor reasonably anticipates that the making of such payment will not cause such violation.

5.5 Permitted Payment Accelerations. The Administrator may, in its sole discretion, accelerate the payment timing of all or a portion of a Participant’s Account to the extent permissible under Treasury Regulation section 1.409A-3(j)(4).

## ARTICLE VI

### CLAIMS AND ADMINISTRATION

6.1 Applications. A Participant or the Beneficiary of a deceased Participant who is or may be entitled to benefits under this Program shall apply for such benefits in writing if and as required by the Administrator, in its sole discretion.

6.2 Information and Proof. A Participant or the Beneficiary of a deceased Participant shall furnish all information and proof required by the Administrator for the determination of any issue arising under the Program including, but not limited to, proof of marriage to a Participant or a certified copy of the death certificate of a Participant. The failure by a Participant or the Beneficiary of a deceased Participant to furnish such information or proof promptly and in good faith, or the furnishing of false or fraudulent information or proof by the Participant or Beneficiary, shall be sufficient reason for the denial, suspension, or discontinuance of benefits thereto and the recovery of any benefits paid in reliance thereon.

6.3 Notice of Address Change. Each Participant and any Beneficiary of a deceased Participant who is or may be entitled to benefits under this Program shall notify the Administrator in writing of any change of his or her address.

#### 6.4 Claims Procedure.

(a) Claim Denial. The Administrator shall provide adequate notice in writing to any Participant or Beneficiary of a deceased Participant whose application for benefits has been wholly or partially denied. Such notice shall include the reason(s) for denial, including references, when appropriate, to specific Program provisions; a description of any additional information necessary for the claimant to perfect the claim, if applicable and an explanation of why such information is necessary; and a description of the claimant's right to appeal under Subsection (b) below.

The Administrator shall furnish such notice of a claim denial within ninety (90) days after the date that the Administrator received the claim. If special circumstances require an extension of time for deciding a claim, the Administrator shall notify the claimant in writing thereof within such ninety (90)-day period and shall specify the date a decision on the claim shall be made, which shall not be more than one hundred eighty (180) days after the date that the Administrator received the claim. Then, the Administrator shall furnish any denial notice on the claim by the later date so specified.

(b) Appeal Procedure. A claimant or his or her duly authorized representative shall have the right to file a written request for review of a claim denial within sixty (60) days after receipt of the denial, to review pertinent documents, records and other information relevant to his or her claim without charge (including items used in the determination, even if not relied upon in making the final determination and items demonstrating consistent application and compliance with this Program's administrative processes and safeguards), and to submit comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination.

(c) Decision Upon Appeal. In considering an appeal made in accordance with Subsection (b) above, the Administrator shall review and consider any written comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination by the claimant or his or her duly authorized representative. The claimant or his or her representative shall not be entitled to appear in person before any representative of the Administrator.

The Administrator shall issue a written decision on an appeal within sixty (60) days after the date the Administrator receives the appeal together with any written comments relating thereto. If special circumstances require an extension of time for a decision on an appeal, the Administrator shall notify the claimant in writing thereof within such sixty (60)-day period. Then, the Administrator shall furnish a written decision on the appeal as soon as possible but no later than one hundred twenty (120) days after the date that the Administrator received the appeal. The decision on the appeal shall be written in a manner calculated to be understood by the claimant and shall include specific references to the pertinent Program provisions on which the decision is based. If the claimant loses on appeal, the decision shall include the following information provided in a manner calculated to be understood by the claimant: (1) the specific reason(s) for the adverse determination; (2) reference to the specific Program provisions on which the determination is based; (3) a statement of the claimant's right to receive at no cost information and copies of documents relevant to the claim, even if such information was not relied upon in making determinations; and (4) a statement of the claimant's rights to sue under ERISA.

#### 6.5 Status, Responsibilities, Authority and Immunity of Administrator.

(a) Appointment and Status of Administrator. The Program Sponsor shall appoint the Administrator in accordance with the terms of Section 4 of the Omnibus Incentive Plan. The Program Sponsor may remove the Administrator and appoint another Administrator or, if the Administrator is a committee, the Program Sponsor may remove any or all

members of the committee and appoint new members, in each case in accordance with the terms of Section 4 of the Omnibus Incentive Plan. The Administrator shall be the “administrator” of the Program, as such term shall be defined in Section 3(16)(A) of ERISA.

(b) Responsibilities and Discretionary Authority. The Administrator shall have absolute and exclusive discretion to manage the Program and to determine all issues and questions arising in the administration, interpretation, and application of the Program, including, but not limited to, issues and questions relating to a Participant’s eligibility for Program benefits and to the nature, amount, conditions, and duration of any Program benefits. Furthermore, the Administrator shall have absolute and exclusive discretion to formulate and to adopt any and all standards for use in calculations required in connection with the Program and rules, regulations, and procedures that he or she deems necessary or desirable to effectuate the terms of the Program; provided, however, that the Administrator shall not adopt a rule, regulation, or procedure that shall conflict with this Program. Subject to the terms of any applicable contract or agreement, any interpretation or application of this Program by the Administrator, or any rules, regulations, and procedures duly adopted by the Administrator, shall be final and binding upon Employees, Participants, Beneficiaries, and any and all other persons dealing with the Program.

(c) Delegation of Authority and Reliance on Agents. The Administrator may, in its discretion and in accordance with Section 4 of the Omnibus Incentive Plan, allocate ministerial duties and responsibilities for the operation and administration of the Program to one or more persons, who may or may not be Employees, and employ or retain one or more persons, including accountants and attorneys, to render advice with regard to any responsibility of the Administrator.

(d) Reliance on Documents. The Administrator shall incur no liability in relying or in acting upon any instrument, application, notice, request, letter, or other paper or document believed by the Administrator to be genuine, to contain a true statement of facts, and to have been executed or sent by the proper person.

(e) Immunity and Indemnification of Administrator. The Administrator shall not be liable for any of his or her acts or omissions, or the acts or omissions of any employee or agent authorized or retained pursuant to Subsection (c) above by the Administrator, except any act of the Administrator or any such person as constitutes gross negligence or willful misconduct. The Program Sponsor shall indemnify the Administrator, to the fullest extent permitted by law, if the Administrator is ever made a party or is threatened to be made a party to any threatened, pending, or completed action, suit, claim, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action by or in the right of the Program Sponsor), by reason of the fact that the Administrator is or was, or relating to the Administrator’s actions as, the Administrator, against any expenses (including attorneys’ fees), judgments, fines, and amounts paid in settlement that the Administrator incurs as a result of, or in connection with, such action, suit, claim, or proceeding, provided that the Administrator had no reasonable cause to believe that his or her conduct was unlawful.

6.6 Correction of Prior Incorrect Allocations. Notwithstanding any other provisions of this Program, in the event that an adjustment to a Participant’s Account shall be required to correct an incorrect allocation to such Account, the Administrator shall take such actions as it deems, in its sole discretion, to be necessary or desirable to correct such prior incorrect allocation.

6.7 Facility of Payment. If the Administrator shall determine that a Participant or the Beneficiary of a deceased Participant to whom a benefit is payable is unable to care for his or her affairs because of illness, accident or other incapacity, the Administrator may, in its discretion, direct that any payment otherwise due to the Participant or Beneficiary be paid to the legal guardian or other representative of the Participant or Beneficiary. Furthermore, the Administrator may, in its discretion, direct that any payment otherwise due to a minor Participant or Beneficiary of a deceased Participant be paid to the guardian of the minor or the person having custody of the minor. Any payment made in accordance with this Section 6.7 to a person other than a Participant or the Beneficiary of a deceased Participant shall, to the extent thereof, be a complete discharge of the Program’s obligation to the Participant or Beneficiary.

6.8 Unclaimed Benefits. If the Administrator cannot locate a Participant or the Beneficiary of a deceased Participant to whom payment of benefits under this Program shall be required, following a diligent effort by the Administrator to locate the Participant or Beneficiary, such benefit shall be forfeited.



## ARTICLE VII

### STATUS OF PROGRAM

7.1 Unfunded Status of Program. The Program constitutes a mere promise by the Program Sponsor to pay benefits in accordance with the terms of the Program, and, to the extent that any person acquires a right to receive benefits from the Program Sponsor under this Program, such right shall be no greater than any right of any unsecured general creditor of the Program Sponsor. Nothing contained in this Program and no action taken pursuant to the provisions of this Program shall create or be construed so as to create a trust of any kind, or a fiduciary relationship between the Program Sponsor and any Participant, Beneficiary, or other person.

7.2 Shares to be Issued. The aggregate number of shares of Common Stock that may be issued to satisfy the obligations under the Program and the Omnibus Incentive Plan shall not exceed the number of shares of Common Stock available for awards under Section 5(a) of the Omnibus Incentive Plan. The Common Stock issued under the Program may come from any source authorized under Section 5(a) of the Omnibus Incentive Plan.

Subject to any required action by the Program Sponsor (which it shall promptly take) or its stockholders, and subject to the provisions of applicable corporate law, if the outstanding shares of Common Stock increase or decrease or change into or are exchanged for a different number or kind of security by reason of any recapitalization, reclassification, stock split, reverse stock split, combination of shares, exchange of shares, stock dividend, or other distribution payable in capital stock, or some other increase or decrease in the Common Stock occurs without the Program Sponsor's receiving consideration, the Administrator shall make an equitable adjustment as the Administrator in its sole discretion deems to be appropriate to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Program to the number and kind of Notional Shares credited to each Participant's Account under the Program, and the Common Stock Price.

In the event of a declaration of an extraordinary dividend on the Common Stock payable in a form other than Common Stock in an amount that has a material effect on the price of the Common Stock, the Administrator shall make an equitable adjustment as the Administrator in its sole discretion deems to be appropriate to the items set forth in the preceding paragraph in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Program.

Any issue by the Program Sponsor of any class of preferred stock, or securities convertible into shares of common or preferred stock of any class, will not affect, and no adjustment by reason thereof will be made with respect to, the number of Notional Shares credited to each Participant's Account under the Program, or the Common Stock Price, except as this Section 7.2 specifically provides. The crediting of a share of Common Stock under the Program will not affect in any way the right or power of the Program Sponsor to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or to consolidate, or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

7.3 Omnibus Incentive Plan. The Program is a sub-plan under the Omnibus Incentive Plan and is subject to all of the terms and conditions of the Omnibus Incentive Plan. In the event that any provision of the Program does not comply with the terms of the Omnibus Incentive Plan, the applicable term shall be interpreted in such a manner so as to comply with the terms of the Omnibus Incentive Plan.

## ARTICLE VIII

### PROGRAM AMENDMENT OR TERMINATION

8.1 Right to Amend. The Program Sponsor reserves the right to amend the Program, by action duly taken by its Board of Directors, at any time and from time to time to any extent that the Program Sponsor may deem advisable, and any such amendment shall take the form of an instrument in writing duly executed by one or more individuals duly authorized by the Board of Directors. Without limiting the generality of the foregoing, the Program Sponsor specifically reserves the right to amend the Program retroactively as may be deemed necessary. Notwithstanding the foregoing sentences, the Program Sponsor shall not amend the Program so as to reduce the balance in the Account of any Participant, or to reduce any Participant's vested interest in his or her Account, in either case as of the date that such an amendment would otherwise be effective; unless any such amendment shall be reasonably required to comply with applicable law or to preserve the tax treatment of benefits provided under the Program or is consented to by the affected Participant.

8.2 Right to Terminate. The Program Sponsor reserves the right to terminate the Program, by action duly taken by its Board of Directors, at any time as the Program Sponsor may deem advisable. Upon termination of the Program, the Program Sponsor shall pay or provide for the payment of all liabilities with respect to Participants and Beneficiaries of deceased Participants by distributing amounts to and on behalf of such Participants and Beneficiaries. Notwithstanding the foregoing, the termination of the Program shall not accelerate the time and form of payment of any amount except when the Program Sponsor elects to terminate the Program in accordance with one of the following:

(a) The Program Sponsor elects to terminate the Program within twelve (12) months of a corporate dissolution taxed under Code section 331 or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the amounts are included in Participants' gross incomes in the latest of (a) the calendar year in which the Program termination occurs, (b) the calendar year in which the amount is no longer subject to a substantial risk of forfeiture, or (c) the first calendar year in which the payment of the amount is administratively practical.

(b) The Program Sponsor elects to terminate the Program under the following conditions: (i) the Employer terminates all arrangements sponsored by the Employer that would be aggregated with any terminated arrangements under the regulations promulgated under Code section 409A if the same Participant had deferrals of compensation under all such terminated arrangements; (ii) no payments (other than payments that would be payable under the terms of the arrangements if the termination had not occurred) are made within twelve (12) months of the termination of the arrangements; (iii) all payments are made within twenty-four (24) months of the termination of the arrangements; and (iv) no Employer adopts a new arrangement that would be aggregated with any terminated arrangement under the regulations promulgated under Code section 409A if the same Participant participated in both arrangements, at any time within five (5) years following the date of termination of the Program.

(c) The Program Sponsor elects to terminate the Program in accordance with any such other events and conditions that the Commissioner of the Internal Revenue Service may prescribe in generally applicable guidance published in the Internal Revenue Bulletin.

## ARTICLE IX

### MISCELLANEOUS

9.1 No Guarantee of Employment. Nothing contained in this Program shall be construed as a contract of employment between any Employee and the Program Sponsor or any Employer, as a right of any Employee to be continued in any employment position with, or the employment of, the Program Sponsor or any Employer, or as a limitation of the right of the Program Sponsor or any Employer to discharge any Employee.

9.2 Nonalienation of Benefits. Any benefits or rights to benefits payable under this Program shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any such liability that is for alimony or other payments for the support of a Beneficiary or former Beneficiary, or for the support of any other relative, before payment thereof is received by the Participant, Beneficiary of a deceased Participant, or other person entitled to the benefit under the Program; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable under this Program shall be void.

9.3 Taxes. Neither the Program Sponsor nor any Employer represents or guarantees that any particular federal, state, or local income, payroll, personal property or other tax consequence will result from participation in this Program or payment of benefits under this Program. Notwithstanding anything in this Program to the contrary, the Administrator may, in its sole discretion, deduct and withhold applicable taxes from any payment of benefits under this Program. For the avoidance of doubt, each Participant and Beneficiary shall be responsible for any and all taxes, interest, and penalties. The Administrator also may permit such obligations to be satisfied by the transfer to the Program Sponsor or any Employer of cash, shares of Common Stock, or other property.

9.4 Not Compensation Under Other Benefit Plans. No amounts in a Participant's Account shall be deemed to be salary or compensation for purposes of the Danaher Corporation & Subsidiaries Savings Plan or any other employee benefit plan of the Program Sponsor or any Employer except as and to the extent otherwise specifically provided in any such plan.

9.5 Merger or Consolidation of Program Sponsor. If the Program Sponsor is merged or consolidated with another organization, or another organization acquires all or substantially all of the Program Sponsor's assets, such organization may become the "Program Sponsor" hereunder by action of its board of directors and by action of the board of directors of the Program Sponsor if still existent. Such change in program sponsors shall not be deemed to be a termination of this Program.

9.6 Savings Clause. If any term, covenant, or condition of this Program, or the application thereof to any person or circumstance, shall to any extent be held to be invalid or unenforceable, the remainder of this Program, or the application of any such term, covenant, or condition to persons or circumstances other than those as to which it has been held to be invalid or unenforceable, shall not be affected thereby, and, except to the extent of any such invalidity or unenforceability, this Program and each term, covenant, and condition hereof shall be valid and shall be enforced to the fullest extent permitted by law.

9.7 Governing Law. This Program shall be construed, regulated and administered under the laws of the State of Delaware to the extent not preempted by ERISA or any other federal law.

9.8 Construction. As used in this Program, the masculine and feminine gender shall be deemed to include the neuter gender, as appropriate, and the singular or plural number shall be deemed to include the other, as appropriate, unless the context clearly indicates to the contrary.

9.9 Headings No Part of Agreement. Headings of articles, sections and subsections of this Program are inserted for convenience of reference; they constitute no part of the Program and are not to be considered in the construction of the Program.



**DANAHER CORPORATION AND ITS AFFILIATED ENTITIES  
AGREEMENT REGARDING COMPETITION AND PROTECTION OF PROPRIETARY INTERESTS**

*Danaher Corporation believes that recruiting and retaining the best people to work in its highly competitive businesses means treating them fairly, rewarding their contributions, and thereby establishing a strong partnership for our collective well-being and continues success. Working at Danaher and/or any of its affiliates provides associates with specialized and unique knowledge and confidential information and access to key business relationships, which, if used in competition with Danaher and/or its affiliates, would cause harm to Danaher and/or its affiliates. As such, it is reasonable to expect a commitment from our associates that protects the legitimate business interests of Danaher and its affiliates, and therefore, their own interests. Please read and sign this Agreement in the spirit intended: our collective long-term growth and success.*

I understand that I am or will be employed by or enter into a relationship with Danaher Corporation including its subsidiaries and/or affiliates (collectively the “**Company**”), and will learn and have access to the Company’s confidential, trade secret and proprietary information and key business relationships. I understand that the products and service that the Company develops, provides and markets are unique. Further, I know that my promises in this Agreement are an important way for the Company to protect its proprietary interests.

I agree that the Company is engaged in a business which is highly specialized, the identity and particular needs of Company’s customers and vendors are not generally known, and the documents and information regarding, among other things, the Company’s employees and talent, the Danaher Business System, customers, vendors, services, products, technology, formulations, methods of operation, sales, marketing, pricing, and costs are highly confidential and proprietary.

I acknowledge and agree that I have been given an adequate period of time to consider this Agreement and to have this Agreement reviewed at my expense and by an attorney of my choice regarding the terms and legal effect of this Agreement. I have read this Agreement and understand all of its terms and conditions and am entering into this Agreement of my own free will without coercion from any source. I have not and am not relying on legal advice provided by the Company or any personnel of the Company.

I agree the above recitals are material terms of this Agreement.

In addition to other good and valuable consideration, I am expressly being given employment, continued employment, a relationship with the Company, renewal of a relationship with the Company, a promotion, eligibility to receive grants of stock options or other equity awards, certain monies, benefits, training and/or trade secrets and confidential information of the Company and its or their customers, suppliers, vendors or affiliates to which I would not have access but for my relationship with the Company in exchange for my agreeing to the terms of this Agreement. In consideration of the foregoing, I agree as follows:

**1. Protection of Confidential Information.**

**a. Definition of “Confidential Information.”** The term “**Confidential Information**” shall mean the trade secrets and other confidential information of the Company which is not generally known to the public, and which (a) is generated or collected by or utilized in the operations of the Company and relates to the actual or anticipated business or research or development of the Company or the Company’s actual or prospective vendors or customers; or (b) is suggested by or results from any task assigned to me by the Company or work performed by me for or on behalf of the Company or any customer of the Company. Confidential Information shall not be considered generally known to the public if revealed improperly to the public by me or others without the Company’s express written consent and/or in violation of an obligation of confidentiality to the Company. Examples of Confidential Information include, but are not limited to, customer and supplier identification and contacts, information about customers, Voice of the Customer data, reports or analyses, business relationships, contract terms, pricing, price lists, pricing formulas, margins, business plans, projections, prospects, opportunities or strategies, acquisitions, divestitures or mergers, marketing plans, advertising or promotions, financial data (including but not limited to the revenues, costs, or profits, associated with any products or services), business and customer strategy, techniques, formulations, technical information, technical know-how, formulae, production information, inventions, invention disclosures, discoveries, drawings, invention methods, systems, information regarding all or any portion of the Danaher Business System, lease structure, processes, designs, plans, architecture, prototypes, models, software, source code, object code, solutions,

personal or performance information about employees, Talent Reviews and Organizational Plans, research and development, copyrights, patent applications and plans or proposals related to the foregoing.

**b. Nondisclosure and Prohibition against Misuse.** At all times during and after the termination of my employment or relationship with the Company, I will not, without the Company's prior written permission, directly or indirectly for any purpose other than performance of my duties for the Company, utilize or disclose to anyone outside of the Company any Confidential Information, or any information received by the Company in confidence from or about third parties, as long as such matters remain trade secrets or confidential. The confidentiality obligations herein shall not prohibit me from divulging Confidential Information by order of court or agency of competent jurisdiction or as otherwise required by law; however I shall promptly inform the Company of any such situations and shall take reasonable steps to prevent disclosure of Confidential Information until the Company has been informed of such required disclosure and has had a reasonable opportunity first to see a protective order.

**2. Return or Property and Copying.** I agree that all tangible materials (whether originals or duplicates), including but not limited to, notebooks, computers, files, reports, proposals, price lists, lists of actual or potential customers or suppliers, talent lists, formulae, prototypes, tools, equipment, models, specifications, technical data, methodologies, research results, test results, financial data, contracts, agreements, correspondence, documents, computer disks, software, computer printouts, information stored electronically, memoranda, and notes, in my possession or control which in any way relate to the Company's business and which are furnished to me by or on behalf of the Company or which are prepared, compiled or acquired by me while working with or employed by the Company shall be the sole property of the Company. I will at any time upon the request of the Company and in any event promptly upon termination of my employment or relationship with the Company, buy in any event no later than two (2) business days after such termination, deliver all such materials to the Company and will not retain any originals or copies of such materials, whether in hard copy form or as computerized and/or electronic records. Except to the extent approved by the Company or required by my bona fide job duties for the Company, I also agree that I will not copy or remove from the Company's place of business or the place of business of a customer of the Company, property or information belonging to the Company or the customer or entrusted to the Company or the customer. In addition, I agree that I will not provide any such materials to any competitor of or entity seeking to compete with the Company unless specifically approved in writing by the Company.

**3. Assignment of Developments.** I hereby assign to the Company my entire right, title and interest in any idea, formula, invention, discovery, design, drawing, process, method, technique, device, improvement, computer program and related documentation, technical and non-technical data, work of authorship, trade secret, copyright, trademark, service mark, trademark registration, application for trademark registration, and patent and patent applications (all hereinafter called "Developments"), which I may solely or jointly conceive, write or acquire in whole or in part during the period I am employed by or working for the Company, and for a period of six months thereafter, and which relate in any way to the actual or anticipated business or research or development of the Company, or which are suggested by or result from any task assigned to me or work performed by me for or on behalf of the Company, whether or not such Developments are made, conceived, written or acquired during normal hours of work or using the Company's facilities, and whether or not such Developments are patentable, copyrightable or susceptible to other forms of protection. The term "Developments" does not apply to any development for which no equipment, supplies, facilities or trade secrets of Confidential Information of the Company was used, and which was developed entirely on my own time unless (a) the Development relates: (i) to the actual or anticipated business of the Company; or (ii) to the Company's actual or demonstrably anticipated research or development or (b) the Development results from any work performed by me for the Company. I acknowledge and agree that any intellectual property right in any Developments and related documentation, and work of authorship, which are created within the scope of my relationship with the Company, are owned solely by the Company.

**4. Disclosure of Developments.** I will promptly disclose any Developments referred to in Paragraph 3 to the management of the Company, including by following the Company's policies and procedures in place from time to time for that purpose, and I will, on the Company's request, promptly execute a specific assignment of title to the Company and such other documents as may reasonably be requested by the Company for the purpose of vesting, confirming or securing the Company's title to the Developments, and I will do anything else reasonably necessary, at the Company's sole expense, to enable the Company to secure a patent, trademark registration, copyright or other form of protection thereof in the United States and in other countries even after the termination of my employment or work relationship with the Company. If the Company is unable, after reasonable effort, to secure my signature or other action, whether because of my physical or mental incapacity or for any other reason, I hereby irrevocably designate and appoint the Company as my duly authorized agent and attorney-in-fact, to act for and on my behalf and stead to execute any such document and take any other such action to secure the Company's rights and title to the Developments.

**5. Identification of Developments and Third Party Obligations.**

(a) I have identified below all Developments which I have any right, title or interest, and which were made, conceived or written wholly or in part by me or prior to my employment or relationship with the Company and which relate to the actual or anticipated business or research or development of the Company. I represent and warrant that I am not a party to any agreements which would limit my ability to work for the Company or to assign Developments as provided for in Paragraph 3.

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(b) I acknowledge that the Company from time to time may have agreement with other persons or with the United States government or agencies thereof, or other governments or governmental agencies, which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. I agree to be bound by all such obligations and restrictions that are made known to me and to take all action necessary to discharge the obligations of the Company under such agreements.

**6. Protection of Proprietary Interests.**

(a) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not, directly or indirectly, on behalf of myself or any other person, company or entity, solicit or participate in soliciting any person, company or entity to purchase or contract for products or services competitive with or similar to products or services offered by, developed by, designed by or distributed by the Company, if that person, company or entity was a customer or potential customer of the Company for such products or services with which I had direct contact or about which I learned Confidential Information related to such products or services at any time during the 24 months preceding the termination of my employment or relationship with the Company.

(b) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not, directly or indirectly, on behalf of myself or any other person, company or entity, offer, provide or sell or participate in offering, providing or selling, products or services competitive with or similar to products or services offered by, developed by, designed by or distributed by the Company to any person, company or entity which was a customer or potential customer of the Company for such products or services and with which I had direct contact regarding such products or services at any time during the 24 months preceding the termination of my employment or relationship with the Company.

(c) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not directly or indirectly, on behalf of myself or in conjunction with any other person, company or entity, own (other than less than 3% ownership in a publicly traded company), manage, operate, or participate in the ownership, management, operation, or control of, or be employed by any person, company or entity which is in competition with the Company, with which I would hold a position with responsibilities similar to any position I held with the Company during the 24 months preceding the termination of my employment or relationship with the Company or in which I would have responsibility for and access to confidential information similar or relevant to that which I had access to during the 24 months preceding the termination of my employment or relationship with the Company in any geographic territory over which I had Company responsibilities during the 24 months preceding the termination of my employment or relationship with the Company.

(d) I agree that during my employment or relationship with the Company and for a period of 24 months thereafter, I will not, nor will I assist any third party to, directly or indirectly (i) raid, hire, solicit, encourage or attempt to persuade any employee or independent contractor of the Company, or any person who was an employee or independent contractor of the Company during the 6 months preceding the termination of my employment or relationship with the Company, who possesses or had access to Confidential Information of the Company, to leave the employ of or terminate a relationship with the Company; (ii) interfere with the performance by any such persons of their duties for the Company; or (iii) communicate with any such persons for the purposes described in Paragraph 6(d)(i) and (ii).

(e) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not, directly or indirectly, on behalf of myself or any other person, company or entity, utilize or reveal confidential contract or relationship terms with any vendor or customer used by or served by the Company at any time during the 24 months preceding the termination of my employment or relationship with the Company.

(f) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not, directly or indirectly, on behalf of myself or any other person, company or entity, interfere with or assist any third party in interfering with, the relationship of the Company with any vendor utilized by the Company at any time during the 24 months preceding the termination of my employment or relationship with the Company.

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(g) I agree that during my employment or relationship with the Company and for a period of 12 months thereafter I will not directly or indirectly, on behalf of myself or any other person, company or entity, participate in the planning, research or development of any products or services, competitive with products or services of the Company, excluding general industry knowledge, for which I had product or service planning, research or development responsibilities during the 24 months preceding the termination of my employment or relationship with the Company.

(h) I agree that during my employment or relationship with the Company, and for a period of 12 months thereafter, I will not, directly or indirectly, become employed or engaged by or affiliated with any person, company or entity that was a vendor or customer of the Company, during the 24 months preceding the termination of my employment or relationship with the Company, in any capacity in which I would work with or support products or services competitive with or similar to the products, services, or support offered by, performed by, developed by or created by me for the Company during the 24 months preceding the termination of my employment or relationship with the Company.

(i) I agree that nothing in this Section 6 shall limit my obligations under Paragraph 1 of this Agreement. Further, I understand and agree that during my employment or work relationship and the restricted time periods thereafter designated in this Agreement, while I may gather information to investigate other employment opportunities, I understand and agree that I shall not make plans or prepare to compete, solicit or take on activities which are in violation of this Agreement.

**7. Best Efforts.** I agree that during my employment or relationship with the Company, I will devote my best efforts to the performance of my duties and the advancement of the Company and shall not engage in any other employment, profitable activities, or other pursuits which would cause me to disclose or utilize the Company's Confidential Information, or reflect adversely on the Company. This obligation shall include, but is not limited to, obtaining the Company's consent prior to performing tasks for customers of the Company outside of my customary duties for the Company, giving speeches or writing articles, blogs, or posts, about the business of the Company, improperly using the name of the Company or identifying my association or position with the Company in a manner that reflects unfavorably upon the Company. I further agree that I will not use, incorporate, or otherwise create any business entity or organization or domain name using any name confusingly similar to the name Danaher Corporation or the name of any affiliate of Danaher or any other name under which any such entities does business.

**8. Certification.** I agree not to disclose to the Company, or use in my work for the Company, any confidential information and/or trade secrets belonging to others, including without limitation, my prior employers, or any prior inventions made by me and which the Company is not otherwise legally entitled to learn of or use. Furthermore, by executing this Agreement, I certify that I am not subject to any restrictive covenants and/or obligations that would prevent me from fully performing my duties for the Company. I also agree that after my employment or relationship with the Company terminates, the Company may contact any employer or prospective employer of mine to inform them of my obligations under this Agreement and that, for a period of five (5) years after my employment or relationship with the Company terminates, I shall affirmatively provide this Agreement to all subsequent employers.

**9. Injunctive Relief and Attorney's Fees.** In the event of a breach or a threatened breach of this Agreement by me, I acknowledge and agree that the Company will face irreparable injury which would be difficult to calculate in monetary terms and for which damages would be an inadequate remedy, I agree that the Company shall be entitled, in addition to remedies otherwise available at law or in equity, to obtain and enforce immediately temporary restraining orders, preliminary injunctions and final injunctions without the posting of a bond enjoining such breach or threatened breach. Should the Company successfully enforce any portion of this Agreement before a trier of fact, the Company shall be entitled to receive and recover from me all of its reasonable attorney's fees, litigation expenses and costs incurred as a result of enforcing this Agreement against me.

**10. Amendment, Waiver, Severability and Merger.** Except as set forth in Paragraph 12 below, this Agreement is my entire agreement with the Company with respect to the subject matter hereof, and it amends (to the extent enforceable) all previous oral or written understandings or agreements, if any, made by or with the Company regarding the same subject matter and can be revoked or modified only by a written agreement signed by me and the Company. I agree that by executing this Agreement I am not longer entitled to any Severance Payments or Termination Payments I may have been entitled to under a prior competition, solicitation and/or proprietary interest agreement with the Company. No waiver of any breach of any provision of this Agreement by the Company shall be effective unless it is in writing and no waiver shall be construed to be a waiver of any succeeding breach or as a modification of any provision of this Agreement. The provisions of this Agreement shall be severable and if any provision of this Agreement is found by any court to be unenforceable, in whole or in part, the remainder of this Agreement as well as the provisions of my prior agreement with the Company, if any, regarding the same subject matter as that which was found unenforceable herein shall nevertheless be enforceable and binding on the parties. I also agree that the trier of fact may modify any invalid, overbroad or unenforceable term of this Agreement so that such term, as modified, is valid and enforceable under applicable law. Further, I acknowledge and agree that I have not, will not, and

cannot rely on any representations not expressly made herein. The terms of this Agreement shall not be amended by me or the Company except by the express written consent of the Company and me. The paragraph headings in this Agreement are for the convenience of reference and in no way define, limit or affect the meaning of this Agreement.

**11. At-Will Employment Status.** I acknowledge and agree that that nothing in this Agreement shall be construed or is intended to create a guarantee of employment, express or implied, for any specific period of time. I acknowledge and agree that this Agreement does not require me to continue my employment or relationship with the Company for any particular length of time (unless otherwise agreed to in writing as an independent contractor or consultant) and shall not be construed to require the Company to continue my employment, relationship or compensation for any particular length of time. I acknowledge and agree that if I am employed by the Company it is on an at-will basis which means that the Company and I each have the right to terminate the employment relationship with or without cause or reason, with or without notice or compliance with any procedures. If I am an independent contractor or consultant for the Company, unless agreed to otherwise in writing by the Company and me, the Company and I each have the right to terminate the relationship with or without cause or reason, with or without notice or compliance with any procedures. I acknowledge and agree that my knowledge, skills and abilities are sufficient to enable me, if my employment or relationship with the Company terminates, to earn a satisfactory livelihood without violating this Agreement.

**12. Acknowledgement of Obligations.** I acknowledge that my obligations under this Agreement are in addition to, and do not limit, any and all obligations concerning the same subject matter arising under any applicable law including, without limitation, common law duties of loyalty and common law and statutory law relating to trade secrets.

**13. Obligations Survive Termination.** I acknowledge and agree that the restrictions and covenants set forth in this Agreement shall be binding upon me and survive termination of my employment or relationship with the Company regardless of the reason(s) for such termination. I acknowledge and agree that the Company has an important and legitimate business interest that it is seeking to protect with this Agreement and that enforcement of this Agreement would not interfere with the interests of the public.

**14. Cooperation.** I agree to cooperate in the truthful and honest prosecution and/or defense of any third party claim in which the Company may have an interest subject to reasonable limitations concerning time and place, which may include without limitation making myself available to participate in any proceeding involving the Company, allowing myself to be interviewed by representatives of the Company, appearing for the depositions and testimony without requiring a subpoena, and producing and/or providing any documents or names of other persons with relevant information; provided that, if such services are required after the termination of my employment or relationship with the Company, it shall provide me reasonable compensation for the time actually expended in such endeavors and shall pay my reasonable expenses incurred at the prior and specific request of the Company.

**15. Non-Disparagement.** I agree that during and after my employment or relationship with the Company ends for any reason, I will not make any false , disparaging or derogatory statement(s) to any media outlet, industry group, financial institution, current or former employee, consultant, client or customer of the Company, or any other entity or person, which are adverse to the interests, products, services or personnel of the Company or its and their customers or vendors. I further agree that I will not take any action that may reasonably cause the Company, its customers or its vendors embarrassment or humiliation, and I will not otherwise directly or indirectly cause the Company, its customers or its vendors to be held in disrepute.

**16. Assignment and Transfer of Employment or Relationship.** The rights and/or obligations herein may only be assigned by the Company, may be done without my consent and shall bind and inure to the benefit of the Company, its successors and assigns. If the Company makes any assignment of the rights and/or obligations herein or transfers my employment or relationship within the Company, I agree that this Agreement shall remain binding upon me. Notwithstanding the language in this Paragraph 16, in connection with and as a condition of and as a condition of any assignment or transfer of my employment or relationship the Company, a successor, or assignee of the Company shall have the right to terminate this Agreement and require me to sign a new Agreement Regarding Competition and the Protection of Proprietary Interests.

**17. Change of Position.** I acknowledge and agree that any change in my position or title with the Company shall not cause this Agreement to terminate and shall not effect any change in my obligations under this Agreement.

**18. Acceptance.** I agree that this Agreement is accepted by me through my original or facsimile signature. I further agree that the Company is deemed to have accepted this Agreement as evidenced by my employment or relationship with the Company, the payment of wages or monies to me, the provision of benefits to me, or by executing this Agreement.

**19. Binding Effect.** This Agreement, and the obligations hereunder, shall be binding upon me and my successors, heirs, executors, and representatives and shall inure to the benefit of the Company, its successor and its assigns.



**20. Third Party Beneficiaries.** This Agreement is intended to benefit each and every subsidiary, affiliate or business unit of the Company for which I perform services, for which I have customer contact or about which I receive Confidential Information and may be enforced by any such entity. I agree and intend to create a direct, consequential benefit to the Company regardless of the Company entity with which I am affiliated on the last day of my employment or relationship with the Company.

Agreed to by:

/s/ Joakim Weidemanis  
Associate Signature

Joakim Weidemanis  
Associate's Printed Name

Date: February 4, 2011

/s/ Rich Trojan  
Danaher Corporation

Rich Trojan  
Print Name and Title

Date: August 1, 2011

**DANAHER CORPORATION**  
**DESCRIPTION OF NON-MANAGEMENT DIRECTOR COMPENSATION ARRANGEMENTS**

Following is a description of the Company's non-management director compensation structure as of January 1, 2019:

**Compensation structure for non-management directors**

Annual cash retainer	\$120,000
Annual equity award	\$180,000
Committee chair annual cash retainer (Compensation, Nominating and Governance, Science and Technology)	\$20,000
Committee chair annual cash retainer (Audit)	\$25,000
Lead Independent Director annual cash retainer	\$30,000
Per meeting cash fee for each Board/committee meeting a director attends in excess of twenty during a calendar year	\$2,000

Director cash retainers are paid quarterly in arrears. Director annual equity awards are divided equally between options and restricted stock units (RSUs). The options are fully vested as of the grant date. The RSUs vest upon the earlier of (1) the first anniversary of the grant date, or (2) the date of, and immediately prior to, the next annual meeting of Danaher's shareholders following the grant date, but the underlying shares are not issued until the earlier of the director's death or the first day of the seventh month following the director's retirement from the Board. Danaher also reimburses directors for Danaher-related out-of-pocket expenses, including travel expenses.

**Danaher Corporation**  
**Subsidiaries of the Registrant**

Name	Jurisdiction of Formation
AB Sciex Germany GmbH	Germany
AB Sciex KK	Japan
AB Sciex LLC	Delaware
AB Sciex LP	Canada
AB Sciex Pte Ltd.	Singapore
Advanced Vision Technology (A.V.T.) Ltd.	Israel
Aguasin SpA	Chile
Alltec Angewandte Laserlicht Technologie GmbH	Germany
Alpha Biotec Ltd.	Israel
Applitek NV	Belgium
Aquafine Corporation	California
AQG Holdco GmbH	Germany
BC Distribution BV	Netherlands
Beckman Coulter Australia Pty Ltd	Australia
Beckman Coulter Biomedical GmbH	Germany
Beckman Coulter Biotechnology (Suzhou) Co. Ltd.	China
Beckman Coulter Biyomedikal Urunler Sanayi ve Ticaret Limited [irketi]	Turkey
Beckman Coulter Canada LP	Canada
Beckman Coulter Ceska republika s.r.o.	Czech Republic
Beckman Coulter Commercial Enterprise (China) Co., Ltd.	China
Beckman Coulter de Mexico, S.A. de C.V.	Mexico
Beckman Coulter do Brasil Ltda.	Brazil
Beckman Coulter d.o.o.	Croatia
Beckman Coulter Eurocenter S.A.	Switzerland
Beckman Coulter France S.A.S.	France
Beckman Coulter Genomics Inc.	Delaware
Beckman Coulter G.m.b.H.	Germany
Beckman Coulter Hong Kong Limited	Hong Kong
Beckman Coulter, Inc.	Delaware
Beckman Coulter India Private Limited	India
Beckman Coulter International SA	Switzerland
Beckman Coulter International Shanghai Trading Co.	China
Beckman Coulter Ireland Inc.	Ireland
Beckman Coulter K.K.	Japan
Beckman Coulter Korea Ltd.	Korea, Republic of
Beckman Coulter Laboratory Systems (Suzhou) Co. Ltd.	China
Beckman Coulter Limited Liability Company	Russian Federation
Beckman Coulter Mishima K.K.	Japan
Beckman Coulter Nederland B.V.	Netherlands
Beckman Coulter Nippon GK	Japan
Beckman Coulter Saudi Arabia Co.Ltd.	Saudi Arabia
Beckman Coulter, S.L.	Spain
Beckman Coulter South Africa (Proprietary) Limited	South Africa
Beckman Coulter Srl	Italy
Beckman Coulter Taiwan Inc.	California

Beckman Coulter United Kingdom Limited	United Kingdom
Beckman Finance ApS	Denmark
BioTector Analytical Systems Ltd	Ireland
Cepheid	California
Cepheid AB	Sweden
Cepheid Benelux	Belgium
Cepheid Europe SAS	France
Cepheid HBDC SAS	France
Cepheid Italy Srl	Italy
Cepheid Proprietary Limited	South Africa
Cepheid UK Ltd.	United Kingdom
ChemTreat, Inc.	Virginia
ChemTreat International, Inc.	Virginia
Citicon (Hong Kong) Limited	Hong Kong
Coulter Electronics Pty. Limited	Australia
Danaher (Shanghai) Management Co. Ltd.	China
Danaher Hong Kong Limited	Hong Kong
Danaher Medical ApS	Denmark
Dental Imaging Technologies Corporation	Delaware
Devicor Medical Device (Shanghai) Co.Ltd.	China
Devicore Medical Products Inc.	Delaware
DH Alpha Limited	United Kingdom
DH Denmark Holding ApS	Denmark
DH Evolution GmbH	Germany
DH Holdings Corp.	Delaware
DH Holdings Germany LLC	Delaware
DH Holding Italia SRL	Italy
DH Life Sciences LLC	Delaware
DH Operations BV	Netherlands
DH Switzerland Finance SA	Luxembourg
DH Technologies Development Pte Ltd.	Singapore
DHR Holding India Pvt. Ltd.	India
DTIL Ireland Holdings Ltd.	Ireland
DUKI (2006) Finance Limited	United Kingdom
Esko BVBA	Belgium
Esko Finance BVBA	Belgium
Esko-Graphics BVBA	Belgium
Esko-Graphics Inc.	Georgia
Esko Software BVBA	Belgium
FAHPL Pty. Ltd.	Australia
FCL Hong Kong Holding Limited	Hong Kong
FHAB Company AB	Sweden
G. Lufft Mess- und Regeltechnik GmbH	Germany
Gelman Sciences Inc.	Michigan
GH GmbH & Co KG	Germany
Gilzoni Holdings Italia Srl	Italy
Gilzoni Limited	United Kingdom
Hach Company	Delaware
Hach Lange Finance GmbH	Germany

Hach Lange France S.A.S.	France
Hach Lange GmbH	Germany
Hach Lange Sarl	Switzerland
Hach Sales & Services Canada LP	Canada
Hach Water Quality Analytical Instru. (Shanghai) Co., Ltd.	China
HemoCue AB	Sweden
HIC Canada LP	Canada
Hybritech Incorporated	California
ID Business Solutions Limited	United Kingdom
Immunotech SAS	France
Immunotech Sro	Czech Republic
Implant Direct Sybron Administration LLC	California
Implant Direct Sybron International LLC	Nevada
Implant Direct Sybron Manufacturing LLC	California
Integrated DNA Technologies Inc.	Delaware
Integrated DNA Technologies Pte. Ltd.	Singapore
Iris International, Inc.	Delaware
Joslyn Holding Company LLC	Delaware
Kaltenbach & Voigt GmbH	Germany
KAVO Dental GmbH	Germany
KaVo Dental Holding GmbH	Germany
Kavo Dental Technologies, LLC	Illinois
KaVo Finance ApS	Denmark
KaVo Netherlands Finance BV	Netherlands
Kermotion UK Holdings Limited	United Kingdom
Kerr Corporation	Delaware
Kerr GmbH	Germany
KerrHawe SA	Switzerland
KFL Finance Ltd.	Ireland
KM Holdco GmbH	Germany
KMB Sarl	Luxembourg
Kreatech Biotechnology BV	Netherlands
Laetus GmbH	Germany
Leica Biosystems Deutschland GmbH	Germany
Leica Biosystems Imaging Inc.	Delaware
Leica Biosystems Melbourne Pty Ltd	Australia
Leica Biosystems Newcastle Limited	United Kingdom
Leica Biosystems Nussloch GmbH	Germany
Leica Biosystems Richmond, Inc.	Illinois
Leica Instruments (Singapore) Pte Limited	Singapore
Leica Microsystems (UK) Limited	United Kingdom
Leica Microsystems Cambridge Limited	United Kingdom
Leica Microsystems Canada	Canada
Leica Microsystems CMS GmbH	Germany
Leica Microsystems Holdings GmbH	Germany
Leica Microsystems Inc.	Delaware
Leica Microsystems IR GmbH	Germany
Leica Microsystems KK	Japan
Leica Microsystems Ltd. Shanghai	China

Leica Microsystems Limited	Hong Kong
Leica Mikrosysteme (Austria) GmbH	Austria
Leica Mikrosysteme Vertrieb GmbH	Germany
Linx Printing Technologies Limited	United Kingdom
Lipesa Colombia SA	Colombia
LTAG UK Ltd.	United Kingdom
Lumigen, Inc.	Michigan
McCrometer, Inc.	Delaware
Metrex Research, LLC	Wisconsin
Molecular Devices, LLC	Delaware
NBH Holdco Limited	United Kingdom
Nihon Pall Ltd.	Japan
Nihon Pall Manufacturing Limited	Japan
Nobel Biocare AB	Sweden
Nobel Biocare Deutschland GmbH	Germany
Nobel Biocare Holding USA Inc.	Delaware
Nobel Biocare Japan KK	Japan
Nobel Biocare Services AG	Switzerland
Nobel Biocare USA LLC	Delaware
Normond info SAS	France
Omcob BV	Netherlands
Omcob Corporation	Delaware
Omcob LLC	Russian Federation
OTT Hydromet Corp	Virginia
Pall (Canada) ULC	Canada
Pall (China) Co., Ltd.	China
Pall (Schweiz) GmbH	Switzerland
Pall Aeropower Corporation	Delaware
Pall Asia Holdings Inc.	Delaware
Pall Asian Holdings BV	Netherlands
Pall Australia Pty. Ltd.	Australia
Pall Canada Holding ULC	Canada
Pall Corporation	New York
Pall Europe Limited	United Kingdom
Pall Exekia SA	France
Pall Filtersystems GmbH	Germany
Pall Filtration and Separations Group Inc.	Delaware
Pall Filtration Pte. Ltd.	Singapore
Pall ForteBio LLC	Delaware
Pall France SAS	France
Pall GmbH	Germany
Pall India Pvt. Ltd.	India
Pall International Holdings, Inc.	Delaware
Pall International Sarl	Switzerland
Pall Italia Srl	Italy
Pall Korea Ltd.	Korea, Republic of
Pall Life Sciences Belgium BVBA	Belgium
Pall Life Sciences Puerto Rico, LLC	Puerto Rico
Pall Manufacturing UK Limited	United Kingdom

Pall Medistad BV	Netherlands
Pall Netherlands BV	Netherlands
Pall Technology UK Limited	United Kingdom
PaloDEX Group OY	Finland
Pantone LLC	Delaware
Phenomenex, Inc.	California
Radiometer America Inc.	Delaware
Radiometer K.K.	Japan
Radiometer Medical ApS	Denmark
Radiometer Medical Equipment (Shanghai) Co. Ltd.	China
Radiometer Turku Oy	Finland
Sarbel UK Holding Company	United Kingdom
Sea-Bird Electronics, Inc.	Washington
Sendx Medical, Inc.	Delaware
Shanghai AB Sciex Analytical Instrument Trading Co. Ltd.	China
SpofaDental a.s.	Czech Republic
Sybron Alberta Limited	Canada
Sybron Canada Limited Partner Company	Canada
Sybron Dental Specialties, Inc.	Delaware
TH Finance Limited	United Kingdom
Tianjin Bonna-Agela Technologies Co., Ltd.	China
Trojan Technologies Group ULC	Canada
Videojet Argentina S.R.L.	Argentina
Videojet China Trading	China
Videojet Do Brasil Comércio de Equipamentos Para Codificação Industrial Ltda.	Brazil
Videojet Technologies (I) Pvt. Ltd	India
Videojet Technologies (Shanghai) Co., Ltd.	China
Videojet Technologies Europe B.V.	Netherlands
Videojet Technologies Inc.	Delaware
VR Finance Company	United Kingdom
VR FinCo GmbH	Germany
WA Mistral SAS	France
WA6 Sarl	France
X-Ray Optical Systems, Inc.	Delaware
X-Rite Asia Pacific Limited	Hong Kong
X-Rite Europe GmbH	Switzerland
X-Rite Holdings S.a.r.l.	Luxembourg
X-Rite Incorporated	Michigan
X-Rite Switzerland GmbH	Switzerland
Young's L&S Dental Supplies Ltd.	Hong Kong
Zhuhai S.E.Z. Videojet Electronics Ltd.	China

## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

**Registration Statement on Form S-3**

Registration Number	Date Filed
333-224149	April 5, 2018

**Registration Statements on Form S-8**

Name	Registration Number	Date Filed
Danaher Corporation 2007 Omnibus Incentive Plan, as amended and restated; Amended and Restated Danaher Corporation 1998 Stock Option Plan	333-144572	July 13, 2007
Danaher Corporation 2007 Omnibus Incentive Plan, as amended and restated	333-159059 333-175223 333-190014 333-213629 333-219421	May 8, 2009 June 29, 2011 July 18, 2013 September 14, 2016 July 24, 2017
Danaher Corporation and Subsidiaries Retirement and Savings Plan; Danaher Corporation and Subsidiaries Savings Plan	333-107500 333-117678 333-159057 333-213630	July 31, 2003 July 27, 2004 May 8, 2009 September 14, 2016
Danaher Corporation and Subsidiaries Amended and Restated Executive Deferred Incentive Program	333-105198 333-159056 333-213631 333-228069	May 13, 2003 May 8, 2009 September 14, 2016 October 31, 2018
Pall Corporation 2012 Stock Compensation Plan, as amended	333-207565 333-213632	October 22, 2015 September 14, 2016
Cepheid 2006 Equity Incentive Plan, as amended; Cepheid 2015 Equity Incentive Plan	333-213633	September 14, 2016

of our reports dated February 20, 2019, with respect to the consolidated financial statements and schedule of Danaher Corporation and subsidiaries and the effectiveness of internal control over financial reporting of Danaher Corporation and subsidiaries included in this Annual Report (Form 10-K) of Danaher Corporation and subsidiaries for the year ended December 31, 2018.

/s/ Ernst & Young LLP

Tysons, Virginia  
February 20, 2019



## CERTIFICATION

I, Thomas P. Joyce, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Danaher Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2019

By: /s/ Thomas P. Joyce, Jr.

Name: Thomas P. Joyce, Jr.

Title: President and Chief Executive Officer

## CERTIFICATION

I, Matthew R. McGrew, certify that:

1. I have reviewed this Annual Report on Form 10-K of Danaher Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2019

By: /s/ Matthew R. McGrew

Name: Matthew R. McGrew

Title: Executive Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas P. Joyce, Jr., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Danaher Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date: February 20, 2019

By: /s/ Thomas P. Joyce, Jr.

Name: Thomas P. Joyce, Jr.

Title: President and Chief Executive Officer

This certification accompanies the Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Danaher Corporation specifically incorporates it by reference.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew R. McGrew, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Danaher Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date: February 20, 2019

By: /s/ Matthew R. McGrew

Name: Matthew R. McGrew

Title: Executive Vice President and Chief Financial Officer

This certification accompanies the Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Danaher Corporation specifically incorporates it by reference.