UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 28, 2018

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 1-8089

DANAHER CORPORATION
(Exact name of registrant as specified in its charter)

Delaware  59-1995548
(State of Incorporation)  (I.R.S. Employer Identification number)

2200 Pennsylvania Avenue, N.W., Suite 800W
Washington, D.C.  20037-1701
(Address of Principal Executive Offices)  (Zip Code)

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

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 ☑ Accelerated filer ☐
Non-accelerated filer ☐ Smaller reporting company ☐
Emerging growth company ☐

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 ☑

The number of shares of common stock outstanding at October 12, 2018 was 700,902,703.
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# DANAHER CORPORATION AND SUBSIDIARIES
## CONSOLIDATED CONDENSED BALANCE SHEETS
($ and shares in millions, except per share amount)
(unaudited)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>September 28, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and equivalents</td>
<td>$776.2</td>
<td>$630.3</td>
</tr>
<tr>
<td>Trade accounts receivable, net</td>
<td>3,323.1</td>
<td>3,521.8</td>
</tr>
<tr>
<td>Inventories:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td>1,110.1</td>
<td>982.5</td>
</tr>
<tr>
<td>Work in process</td>
<td>331.4</td>
<td>309.7</td>
</tr>
<tr>
<td>Raw materials</td>
<td>587.9</td>
<td>548.6</td>
</tr>
<tr>
<td>Total inventories</td>
<td>2,029.4</td>
<td>1,840.8</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>701.8</td>
<td>857.1</td>
</tr>
<tr>
<td>Total current assets</td>
<td>6,830.5</td>
<td>6,850.0</td>
</tr>
<tr>
<td>Property, plant and equipment, net of accumulated depreciation of $2,739.6 and $2,519.4, respectively</td>
<td>2,462.3</td>
<td>2,454.6</td>
</tr>
<tr>
<td>Other long-term assets</td>
<td>577.3</td>
<td>538.3</td>
</tr>
<tr>
<td>Goodwill</td>
<td>11,814.4</td>
<td>11,667.1</td>
</tr>
<tr>
<td>Other intangible assets, net</td>
<td>26,035.0</td>
<td>25,138.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>47,719.5</td>
<td>46,648.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND STOCKHOLDERS’ EQUITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable and current portion of long-term debt</td>
<td>$59.8</td>
<td>$194.7</td>
</tr>
<tr>
<td>Trade accounts payable</td>
<td>1,569.6</td>
<td>1,509.9</td>
</tr>
<tr>
<td>Accrued expenses and other liabilities</td>
<td>2,835.9</td>
<td>3,087.7</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>4,465.3</td>
<td>4,792.3</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>5,011.0</td>
<td>5,161.1</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>10,558.0</td>
<td>10,327.4</td>
</tr>
<tr>
<td>Stockholders’ equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stock - $0.01 par value, 2.0 billion shares authorized; 817.2 and 812.5 issued; 700.8 and 696.6 outstanding, respectively</td>
<td>8.2</td>
<td>8.1</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>5,772.2</td>
<td>5,538.2</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>24,528.7</td>
<td>22,806.1</td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td>(2,635.7)</td>
<td>(1,994.2)</td>
</tr>
<tr>
<td>Total Danaher stockholders’ equity</td>
<td>27,673.4</td>
<td>26,358.2</td>
</tr>
<tr>
<td>Noncontrolling interests</td>
<td>11.8</td>
<td>9.6</td>
</tr>
<tr>
<td>Total stockholders’ equity</td>
<td>27,685.2</td>
<td>26,367.8</td>
</tr>
<tr>
<td>Total liabilities and stockholders’ equity</td>
<td>47,719.5</td>
<td>46,648.6</td>
</tr>
</tbody>
</table>

See the accompanying Notes to the Consolidated Condensed Financial Statements.
## DANAHER CORPORATION AND SUBSIDIARIES
### CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
($ and shares in millions, except per share amounts)
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th></th>
<th>Nine-Month Period Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$4,853.1</td>
<td>$4,528.2</td>
<td>$14,529.5</td>
<td>$13,244.0</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(2,162.6)</td>
<td>(1,991.4)</td>
<td>(6,378.3)</td>
<td>(5,890.6)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,690.5</td>
<td>2,536.8</td>
<td>8,151.2</td>
<td>7,353.4</td>
</tr>
<tr>
<td>Operating costs:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(1,558.6)</td>
<td>(1,498.4)</td>
<td>(4,798.4)</td>
<td>(4,470.6)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(301.2)</td>
<td>(279.2)</td>
<td>(911.6)</td>
<td>(829.9)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>830.7</td>
<td>759.2</td>
<td>2,441.2</td>
<td>2,052.9</td>
</tr>
<tr>
<td>Nonoperating income (expense):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income, net</td>
<td>9.1</td>
<td>8.3</td>
<td>25.2</td>
<td>22.2</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(41.3)</td>
<td>(39.9)</td>
<td>(123.6)</td>
<td>(120.9)</td>
</tr>
<tr>
<td>Interest income</td>
<td>2.8</td>
<td>2.2</td>
<td>6.7</td>
<td>5.6</td>
</tr>
<tr>
<td>Earnings from continuing operations before income taxes</td>
<td>801.3</td>
<td>729.8</td>
<td>2,349.5</td>
<td>1,959.8</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(137.6)</td>
<td>(157.7)</td>
<td>(445.4)</td>
<td>(346.6)</td>
</tr>
<tr>
<td>Net earnings from continuing operations</td>
<td>663.7</td>
<td>572.1</td>
<td>1,904.1</td>
<td>1,613.2</td>
</tr>
<tr>
<td>Earnings from discontinued operations, net of income taxes</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>22.3</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$663.7</td>
<td>$572.1</td>
<td>$1,904.1</td>
<td>$1,635.5</td>
</tr>
<tr>
<td>Net earnings per share from continuing operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.95</td>
<td>$0.82</td>
<td>$2.72</td>
<td>$2.32</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.93</td>
<td>$0.81</td>
<td>$2.68</td>
<td>$2.29</td>
</tr>
<tr>
<td>Net earnings per share from discontinued operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$0.03</td>
</tr>
<tr>
<td>Diluted</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>$0.03</td>
</tr>
<tr>
<td>Net earnings per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.95</td>
<td>$0.82</td>
<td>$2.72</td>
<td>$2.35</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.93</td>
<td>$0.81</td>
<td>$2.68</td>
<td>$2.32</td>
</tr>
<tr>
<td>Average common stock and common equivalent shares outstanding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>701.4</td>
<td>696.2</td>
<td>700.1</td>
<td>695.3</td>
</tr>
<tr>
<td>Diluted</td>
<td>710.6</td>
<td>705.6</td>
<td>709.9</td>
<td>705.5</td>
</tr>
</tbody>
</table>

See the accompanying Notes to the Consolidated Condensed Financial Statements.
DANAHER CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
($ in millions)
(unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th></th>
<th>Nine-Month Period Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Net earnings</td>
<td>$ 663.7</td>
<td>$ 572.1</td>
<td>$ 1,904.1</td>
<td>$ 1,635.5</td>
</tr>
<tr>
<td>Other comprehensive income (loss), net of income taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(162.4)</td>
<td>260.0</td>
<td>(509.4)</td>
<td>839.2</td>
</tr>
<tr>
<td>Pension and postretirement plan benefit adjustments</td>
<td>5.9</td>
<td>4.6</td>
<td>19.7</td>
<td>14.4</td>
</tr>
<tr>
<td>Unrealized (loss) gain on available-for-sale securities adjustments</td>
<td>—</td>
<td>(1.9)</td>
<td>(0.6)</td>
<td>16.3</td>
</tr>
<tr>
<td>Total other comprehensive income (loss), net of income taxes</td>
<td>(156.5)</td>
<td>262.7</td>
<td>(490.3)</td>
<td>869.9</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$ 507.2</td>
<td>$ 834.8</td>
<td>$ 1,413.8</td>
<td>$ 2,505.4</td>
</tr>
</tbody>
</table>

See the accompanying Notes to the Consolidated Condensed Financial Statements.
## DANAHER CORPORATION AND SUBSIDIARIES
### CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS’ EQUITY
($ and shares in millions)  
( unaudited )

<table>
<thead>
<tr>
<th></th>
<th>Common Stock</th>
<th>Additional Paid-in Capital</th>
<th>Retained Earnings</th>
<th>Accumulated Other Comprehensive Income (Loss)</th>
<th>Noncontrolling Interests</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, December 31, 2017</strong></td>
<td>812.5</td>
<td>$8.1</td>
<td>$5,538.2</td>
<td>$22,806.1</td>
<td>$(1,994.2)</td>
</tr>
<tr>
<td>Adoption of accounting standards</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>154.5</td>
<td>—</td>
</tr>
<tr>
<td><strong>Balance, January 1, 2018</strong></td>
<td>812.5</td>
<td>$8.1</td>
<td>$5,538.2</td>
<td>$22,960.6</td>
<td>$(2,145.4)</td>
</tr>
<tr>
<td>Net earnings</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>1,904.1</td>
<td>—</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(490.3)</td>
</tr>
<tr>
<td>Dividends declared</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(336.0)</td>
<td>—</td>
</tr>
<tr>
<td>Common stock-based award activity</td>
<td>4.0</td>
<td>$0.1</td>
<td>194.0</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock issued in connection with acquisitions</td>
<td>0.2</td>
<td>—</td>
<td>23.9</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock issued in connection with LYONs’ conversions, including tax benefit of $4.2</td>
<td>0.5</td>
<td>—</td>
<td>16.1</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Change in noncontrolling interests</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Balance, September 28, 2018</strong></td>
<td>817.2</td>
<td>$8.2</td>
<td>$5,772.2</td>
<td>$24,528.7</td>
<td>$(2,635.7)</td>
</tr>
</tbody>
</table>

See the accompanying Notes to the Consolidated Condensed Financial Statements.

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Source: DANAHER CORP /DE/, 10-Q, October 18, 2018  
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<table>
<thead>
<tr>
<th>Nine-Month Period Ended</th>
<th>September 28, 2018</th>
<th>September 29, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net earnings</td>
<td>$1,904.1</td>
<td>$1,635.5</td>
</tr>
<tr>
<td>Less: earnings from discontinued operations, net of income taxes</td>
<td>—</td>
<td>22.3</td>
</tr>
<tr>
<td>Net earnings from continuing operations</td>
<td>1,904.1</td>
<td>1,613.2</td>
</tr>
<tr>
<td>Noncash items:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>449.4</td>
<td>427.3</td>
</tr>
<tr>
<td>Amortization</td>
<td>527.5</td>
<td>492.9</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>111.6</td>
<td>104.8</td>
</tr>
<tr>
<td>Restructuring and impairment charges</td>
<td>—</td>
<td>49.3</td>
</tr>
<tr>
<td>Change in trade accounts receivable, net</td>
<td>128.6</td>
<td>74.6</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>(255.4)</td>
<td>(98.2)</td>
</tr>
<tr>
<td>Change in trade accounts payable</td>
<td>71.5</td>
<td>(48.5)</td>
</tr>
<tr>
<td>Change in prepaid expenses and other assets</td>
<td>245.6</td>
<td>242.3</td>
</tr>
<tr>
<td>Change in accrued expenses and other liabilities</td>
<td>(398.5)</td>
<td>(214.6)</td>
</tr>
<tr>
<td><strong>Net operating cash provided by continuing operations</strong></td>
<td>2,784.4</td>
<td>2,643.1</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash paid for acquisitions</td>
<td>(2,173.3)</td>
<td>(112.0)</td>
</tr>
<tr>
<td>Payments for additions to property, plant and equipment</td>
<td>(441.3)</td>
<td>(445.8)</td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>1.6</td>
<td>32.3</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>22.1</td>
<td>—</td>
</tr>
<tr>
<td>All other investing activities</td>
<td>(61.1)</td>
<td>(2.4)</td>
</tr>
<tr>
<td><strong>Net operating cash used in investing activities</strong></td>
<td>(2,652.0)</td>
<td>(527.9)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from the issuance of common stock</td>
<td>77.3</td>
<td>49.0</td>
</tr>
<tr>
<td>Payment of dividends</td>
<td>(321.2)</td>
<td>(281.0)</td>
</tr>
<tr>
<td>Payment for purchase of noncontrolling interests</td>
<td>—</td>
<td>(64.4)</td>
</tr>
<tr>
<td>Net proceeds from (repayments of) borrowings (maturities of 90 days or less)</td>
<td>882.1</td>
<td>(3,319.1)</td>
</tr>
<tr>
<td>Proceeds from borrowings (maturities longer than 90 days)</td>
<td>—</td>
<td>1,684.0</td>
</tr>
<tr>
<td>Repayments of borrowings (maturities longer than 90 days)</td>
<td>(503.9)</td>
<td>(562.4)</td>
</tr>
<tr>
<td>All other financing activities</td>
<td>(16.6)</td>
<td>(50.7)</td>
</tr>
<tr>
<td><strong>Net operating cash provided by (used in) financing activities</strong></td>
<td>117.7</td>
<td>(2,544.6)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and equivalents</td>
<td>(104.2)</td>
<td>114.3</td>
</tr>
<tr>
<td>Net change in cash and equivalents</td>
<td>145.9</td>
<td>(315.1)</td>
</tr>
<tr>
<td>Beginning balance of cash and equivalents</td>
<td>630.3</td>
<td>963.7</td>
</tr>
<tr>
<td><strong>Ending balance of cash and equivalents</strong></td>
<td>$776.2</td>
<td>$648.6</td>
</tr>
</tbody>
</table>

**Supplemental disclosures:**

<table>
<thead>
<tr>
<th></th>
<th>September 28, 2018</th>
<th>September 29, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash interest payments</td>
<td>$129.0</td>
<td>$117.4</td>
</tr>
<tr>
<td>Cash income tax payments</td>
<td>502.0</td>
<td>378.3</td>
</tr>
</tbody>
</table>

See the accompanying Notes to the Consolidated Condensed Financial Statements.
NOTE 1. GENERAL

The consolidated condensed financial statements included herein have been prepared by Danaher Corporation ("Danaher" or the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). In this quarterly 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 amounts in this quarterly report refer to continuing operations. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations; however, the Company believes that the disclosures are adequate to make the information presented not misleading. The Consolidated Condensed Financial Statements included herein should be read in conjunction with the financial statements as of and for the year ended December 31, 2017 and the Notes thereto included in the Company’s 2017 Annual Report on Form 10-K filed on February 21, 2018.

In the opinion of the Company, the accompanying financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position of the Company as of September 28, 2018 and December 31, 2017, its results of operations for the three and nine-month periods ended September 28, 2018 and September 29, 2017 and its cash flows for each of the nine-month periods then ended. Reclassifications of certain prior year amounts have been made to conform to the current year presentation.

Accounting Standards Recently Adopted

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) which supersedes nearly all existing revenue recognition guidance. Subsequent to the issuance of Topic 606, the FASB clarified the guidance through several ASUs; hereinafter the collection of revenue guidance is referred to as "ASC 606". The core principle of ASC 606 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.

On January 1, 2018, the Company adopted ASC 606 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 Topic 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 Condensed Financial Statements as of and for the three and nine-month periods ended September 28, 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 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. Instrument lease revenue for OTL agreements is recognized on a straight-line basis over the life of the lease, and the costs of customer-leased instruments are recorded within property, plant and equipment in the accompanying Consolidated Condensed Balance Sheets and depreciated over the instrument’s estimated useful life. The depreciation expense is reflected in cost of sales in the accompanying Consolidated Condensed 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"). A sales-type lease would result in earlier recognition of instrument revenue as compared to an OTL.

For contracts 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 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.

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 option is elected. The ASU requires equity securities 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 Condensed 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, 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 and actuarial gains and losses) separately and outside a subtotal of operating income. 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 $8.3 million and $22.2 million for the three and nine-month periods ended September 29, 2017, respectively. Refer to Note 8 for further information on the implementation of this ASU.

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 other comprehensive income (loss). 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 Condensed Statements of Earnings and the other components of net periodic pension cost are included in nonoperating income (expense).
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 Tax Cuts and Jobs Act ("TCJA") by allowing a reclassification from accumulated other comprehensive income (loss) to retained earnings for stranded tax effects resulting from the TCJA’s reduction of the U.S. federal corporate income tax rate. The standard 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 March 2018, the 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”). Refer to Note 9 for further information regarding the provisional amounts recorded by the Company as of December 31, 2017.

Except for the above accounting policy for revenue recognition that was updated as a result of adopting ASC 606 and the policy for pension and postretirement benefit plans that was updated as a result of adopting ASU 2017-07, there have been no significant changes to the Company’s accounting policies described in the Annual Report on Form 10-K for the year ended December 31, 2017.

**Accounting Standards Not Yet Adopted**

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. 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.

In February 2018, the FASB issued ASU No. 2018-01, **Leases (Topic 842)**, which requires lessees to recognize a right-of-use 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 and July 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 and ASU No. 2018-11, Leases (Topic 842)**, **Targeted Improvements**, 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. The Company is in the process of implementing a new lease system and the related processes and controls for the accounting for leases in accordance with the ASU. Management currently believes that the most notable impact to its financial statements upon the adoption of this ASU will be the recognition of a material right-of-use asset and a lease liability for its real estate and automobile leases.

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. 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.
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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.

Accumulated Other Comprehensive Income (Loss)—Accumulated other comprehensive income (loss) refers to certain gains and losses that under U.S. GAAP are included in comprehensive income (loss) but are excluded from net earnings as these amounts are initially recorded as an adjustment to stockholders’ equity. The changes in accumulated other comprehensive income (loss) by component are summarized below ($ in millions). Foreign currency translation adjustments are generally not adjusted for income taxes as they relate to indefinite investments in non-U.S. subsidiaries.

<table>
<thead>
<tr>
<th>For the Three-Month Period Ended September 28, 2018:</th>
<th>Foreign Currency Translation Adjustments</th>
<th>Pension &amp; Postretirement Plan Benefit Adjustments</th>
<th>Unrealized Gain (Loss) on Available-For-Sale Securities Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, June 29, 2018</td>
<td>$(1,812.9)</td>
<td>$(664.6)</td>
<td>$(1.7)</td>
<td>$(2,479.2)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>$(162.4)</td>
<td></td>
<td></td>
<td>$(162.4)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications, net of income taxes</td>
<td>$(162.4)</td>
<td></td>
<td></td>
<td>$(162.4)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>—</td>
<td>7.7 (a)</td>
<td>—</td>
<td>7.7</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>(1.8)</td>
<td>—</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes</td>
<td>—</td>
<td>5.9</td>
<td>—</td>
<td>5.9</td>
</tr>
<tr>
<td>Net current period other comprehensive income (loss), net of income taxes</td>
<td>(162.4)</td>
<td>5.9</td>
<td>—</td>
<td>(156.5)</td>
</tr>
<tr>
<td>Balance, September 28, 2018</td>
<td>$(1,975.3)</td>
<td>$(658.7)</td>
<td>$(1.7)</td>
<td>$(2,635.7)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>For the Three-Month Period Ended September 29, 2017:</th>
<th>Foreign Currency Translation Adjustments</th>
<th>Pension &amp; Postretirement Plan Benefit Adjustments</th>
<th>Unrealized Gain (Loss) on Available-For-Sale Securities Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, June 30, 2017</td>
<td>$(1,819.0)</td>
<td>$(632.4)</td>
<td>36.9</td>
<td>$(2,414.5)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease)</td>
<td>260.0</td>
<td></td>
<td>(3.0)</td>
<td>257.0</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>—</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications, net of income taxes</td>
<td>260.0</td>
<td></td>
<td>(1.9)</td>
<td>258.1</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>—</td>
<td>7.0 (a)</td>
<td>—</td>
<td>7.0</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>(2.4)</td>
<td>—</td>
<td>(2.4)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes</td>
<td>—</td>
<td>4.6</td>
<td>—</td>
<td>4.6</td>
</tr>
<tr>
<td>Net current period other comprehensive income (loss), net of income taxes</td>
<td>260.0</td>
<td>4.6</td>
<td>(1.9)</td>
<td>262.7</td>
</tr>
<tr>
<td>Balance, September 29, 2017</td>
<td>$(1,559.0)</td>
<td>$(627.8)</td>
<td>35.0</td>
<td>$(2,151.8)</td>
</tr>
</tbody>
</table>

(a) This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost. Refer to Note 8 for additional details.

Source: DANAHER CORP/DE/, 10-Q, October 18, 2018

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### Table of Contents

<table>
<thead>
<tr>
<th></th>
<th>Foreign Currency Translation Adjustments</th>
<th>Pension &amp; Postretirement Plan Benefit Adjustments</th>
<th>Unrealized Gain (Loss) on Available-For-Sale Securities Adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Nine-Month Period Ended September 28, 2018:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, December 31, 2017</td>
<td>$ (1,422.1)</td>
<td>$ (571.2)</td>
<td>$ (0.9)</td>
<td>$ (1,994.2)</td>
</tr>
<tr>
<td>Adoption of accounting standards</td>
<td>(43.8)</td>
<td>(107.2)</td>
<td>(0.2)</td>
<td>(151.2)</td>
</tr>
<tr>
<td>Balance, January 1, 2018</td>
<td>(1,465.9)</td>
<td>(678.4)</td>
<td>(1.1)</td>
<td>(2,145.4)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease</td>
<td>(509.4)</td>
<td>—</td>
<td>(0.8)</td>
<td>(510.2)</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>—</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications, net of income taxes</td>
<td>(509.4)</td>
<td>—</td>
<td>(0.6)</td>
<td>(510.0)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>—</td>
<td>25.8 (a)</td>
<td>—</td>
<td>25.8</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>(6.1)</td>
<td>—</td>
<td>(6.1)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes</td>
<td>—</td>
<td>19.7</td>
<td>—</td>
<td>19.7</td>
</tr>
<tr>
<td>Net current period other comprehensive income (loss), net of income taxes</td>
<td>(509.4)</td>
<td>19.7</td>
<td>(0.6)</td>
<td>(490.3)</td>
</tr>
<tr>
<td>Balance, September 28, 2018</td>
<td>$ (1,975.3)</td>
<td>$ (658.7)</td>
<td>$ (1.7)</td>
<td>$ (2,635.7)</td>
</tr>
<tr>
<td><strong>For the Nine-Month Period Ended September 29, 2017:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, December 31, 2016</td>
<td>$ (2,398.2)</td>
<td>$ (642.2)</td>
<td>18.7</td>
<td>$ (3,021.7)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>839.2</td>
<td>—</td>
<td>26.1</td>
<td>865.3</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>—</td>
<td>(9.8)</td>
<td>(9.8)</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before reclassifications, net of income taxes</td>
<td>839.2</td>
<td>—</td>
<td>16.3</td>
<td>855.5</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase</td>
<td>—</td>
<td>22.2 (a)</td>
<td>—</td>
<td>22.2</td>
</tr>
<tr>
<td>Income tax impact</td>
<td>—</td>
<td>(7.8)</td>
<td>—</td>
<td>(7.8)</td>
</tr>
<tr>
<td>Amounts reclassified from accumulated other comprehensive income (loss), net of income taxes</td>
<td>—</td>
<td>14.4</td>
<td>—</td>
<td>14.4</td>
</tr>
<tr>
<td>Net current period other comprehensive income (loss), net of income taxes</td>
<td>839.2</td>
<td>14.4</td>
<td>16.3</td>
<td>869.9</td>
</tr>
<tr>
<td>Balance, September 29, 2017</td>
<td>$ (1,559.0)</td>
<td>$ (627.8)</td>
<td>$ 35.0</td>
<td>$ (2,151.8)</td>
</tr>
</tbody>
</table>

(a) This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost. Refer to Note 8 for additional details.
NOTE 2. REVENUE

The following tables present the Company’s revenues disaggregated by geographical region and revenue type for the three and nine-month periods ended September 28, 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 includes 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.

### Three-Month Period Ended September 28, 2018

<table>
<thead>
<tr>
<th>Geographical region:</th>
<th>Life Sciences</th>
<th>Diagnostics</th>
<th>Dental</th>
<th>Environmental &amp; Applied Solutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>$584.0</td>
<td>$574.0</td>
<td>$339.8</td>
<td>$439.7</td>
<td>$1,937.5</td>
</tr>
<tr>
<td>Western Europe</td>
<td>447.1</td>
<td>262.3</td>
<td>137.2</td>
<td>257.5</td>
<td>1,104.1</td>
</tr>
<tr>
<td>Other developed markets</td>
<td>134.5</td>
<td>91.8</td>
<td>42.5</td>
<td>31.0</td>
<td>299.8</td>
</tr>
<tr>
<td>High-growth markets</td>
<td>431.1</td>
<td>574.4</td>
<td>160.0</td>
<td>346.2</td>
<td>1,511.7</td>
</tr>
<tr>
<td>Total</td>
<td>$1,596.7</td>
<td>$1,502.5</td>
<td>$679.5</td>
<td>$1,074.4</td>
<td>$4,853.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue type:</th>
<th>Life Sciences</th>
<th>Diagnostics</th>
<th>Dental</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring</td>
<td>$1,030.9</td>
<td>$1,273.3</td>
<td>$478.2</td>
<td>$3,353.5</td>
</tr>
<tr>
<td>Nonrecurring</td>
<td>565.8</td>
<td>229.2</td>
<td>201.3</td>
<td>1,499.6</td>
</tr>
<tr>
<td>Total</td>
<td>$1,596.7</td>
<td>$1,502.5</td>
<td>$679.5</td>
<td>$4,853.1</td>
</tr>
</tbody>
</table>

### Nine-Month Period Ended September 28, 2018

<table>
<thead>
<tr>
<th>Geographical region:</th>
<th>Life Sciences</th>
<th>Diagnostics</th>
<th>Dental</th>
<th>Environmental &amp; Applied Solutions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>$1,642.4</td>
<td>$1,760.1</td>
<td>$977.2</td>
<td>$1,308.7</td>
<td>$5,688.4</td>
</tr>
<tr>
<td>Western Europe</td>
<td>1,346.5</td>
<td>861.4</td>
<td>483.3</td>
<td>785.5</td>
<td>3,476.7</td>
</tr>
<tr>
<td>Other developed markets</td>
<td>417.9</td>
<td>275.3</td>
<td>133.5</td>
<td>94.9</td>
<td>921.6</td>
</tr>
<tr>
<td>High-growth markets</td>
<td>1,271.1</td>
<td>1,676.3</td>
<td>491.5</td>
<td>1,003.9</td>
<td>4,442.8</td>
</tr>
<tr>
<td>Total</td>
<td>$4,677.9</td>
<td>$4,573.1</td>
<td>$2,085.5</td>
<td>$3,193.0</td>
<td>$14,529.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue type:</th>
<th>Life Sciences</th>
<th>Diagnostics</th>
<th>Dental</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring</td>
<td>$3,057.3</td>
<td>$3,892.8</td>
<td>$1,513.5</td>
<td>$10,166.3</td>
</tr>
<tr>
<td>Nonrecurring</td>
<td>1,620.6</td>
<td>680.3</td>
<td>572.0</td>
<td>4,363.2</td>
</tr>
<tr>
<td>Total</td>
<td>$4,677.9</td>
<td>$4,573.1</td>
<td>$2,085.5</td>
<td>$14,529.5</td>
</tr>
</tbody>
</table>

The Company sells equipment to customers as well as consumables, spare parts, software licenses and services that customers purchase on a recurring basis. Consumables are typically critical to the use of the equipment and are 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 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, 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 three and nine-month periods ended September 28, 2018, revenue accounted for under Topic 840, Leases was $115 million and $308 million, respectively.
Remaining Performance Obligations

Remaining performance obligations related to ASC 606 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 noncancellable 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. 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 September 28, 2018, the aggregate amount of the transaction price allocated to remaining performance obligations was approximately $1.8 billion. The Company expects to recognize revenue on approximately 44% of the remaining performance obligations over the next 12 months, 26% 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 accounts receivable, unbilled receivables (contract assets) and deferred revenue, customer deposits and billings in excess of revenue recognized (contract liabilities) on the Consolidated Condensed 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 Condensed Balance Sheet. The balance of contract assets as of September 28, 2018 and at the date of adoption of ASC 606 were $97 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 Condensed Balance Sheet based on the timing of when the Company expects to recognize revenue. As of September 28, 2018 and at the date of adoption of ASC 606, contract liabilities were $787 million and $783 million, respectively, and are included within accrued expenses and other liabilities and other long-term liabilities in the accompanying Consolidated Condensed Balance Sheet. The increase in the contract liability balance during the nine-month period ended September 28, 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 three and nine-month periods ended September 28, 2018 that was included in the contract liability balance at the date of adoption was $144 million and $568 million, respectively.

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 Condensed 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 September 28, 2018 and at the date of adoption were not significant. Amortization expense for the three and nine-month periods ended September 28, 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 Condensed Statements of Earnings.

Contract assets, liabilities and costs are reported on the accompanying Consolidated Condensed Balance Sheet on a contract-by-contract basis.
NOTE 3. ACQUISITIONS

For a description of the Company’s acquisition activity for the year ended December 31, 2017 reference is made to the financial statements as of and for the year ended December 31, 2017 and Note 2 thereto included in the Company’s 2017 Annual Report.

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 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, 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, anticipated opportunities for synergies from the elimination of redundant facilities and staffing and use of each party’s respective, existing commercial infrastructure to cost-effectively expand sales of the other party’s products and services, 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 2017 and 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.

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 the first nine months of 2018, the Company acquired one other business for total consideration of $95 million in cash, net of cash acquired. The business acquired complements existing units 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 approximately $26 million. The Company preliminarily recorded an aggregate of $71 million of goodwill related to this acquisition.
The following summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition for all acquisitions consummated during the nine-month period ended September 28, 2018 ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>IDT</th>
<th>Others</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade accounts receivable</td>
<td>$36.0</td>
<td>$5.3</td>
<td>$41.3</td>
</tr>
<tr>
<td>Inventories</td>
<td>15.1</td>
<td>—</td>
<td>15.1</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>88.6</td>
<td>0.4</td>
<td>89.0</td>
</tr>
<tr>
<td>Goodwill</td>
<td>1,239.9</td>
<td>70.5</td>
<td>1,310.4</td>
</tr>
<tr>
<td>Other intangible assets, primarily customer relationships, trade names and technology</td>
<td>759.0</td>
<td>30.0</td>
<td>789.0</td>
</tr>
<tr>
<td>Trade accounts payable</td>
<td>(5.5)</td>
<td>(2.7)</td>
<td>(8.2)</td>
</tr>
<tr>
<td>Other assets and liabilities, net</td>
<td>(31.0)</td>
<td>(8.4)</td>
<td>(39.4)</td>
</tr>
<tr>
<td>Net assets acquired</td>
<td>2,102.1</td>
<td>95.1</td>
<td>2,197.2</td>
</tr>
<tr>
<td>Less: nonecash consideration</td>
<td>(23.9)</td>
<td>—</td>
<td>(23.9)</td>
</tr>
<tr>
<td>Net cash consideration</td>
<td>$2,078.2</td>
<td>$95.1</td>
<td>$2,173.3</td>
</tr>
</tbody>
</table>

**Pro Forma Financial Information**

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):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$4,855.6</td>
<td>$4,629.4</td>
</tr>
<tr>
<td>Net earnings from continuing operations</td>
<td>663.8</td>
<td>561.2</td>
</tr>
<tr>
<td>Diluted net earnings per share from continuing operations</td>
<td>0.93</td>
<td>0.80</td>
</tr>
</tbody>
</table>

In the nine-month period ended September 28, 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 in the nine-month period ended September 29, 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, acquisition-related transaction costs 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**

**Discontinued Operations**

On July 2, 2016 (the “Distribution Date”), the Company completed the separation (the “Fortive Separation”) of Fortive Corporation (“Fortive”). For additional details on the Fortive Separation reference is made to the financial statements as of and for the year ended December 31, 2017 and Note 3 thereto included in the Company’s 2017 Annual Report. The accounting requirements for reporting the Fortive Separation as a discontinued operation were met when the Fortive Separation was completed. Accordingly, the accompanying Consolidated Condensed Financial Statements for all periods presented reflect this business as a discontinued operation.

In the nine-month period ended September 29, 2017, the Company 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. This income tax benefit was included in earnings from discontinued operations in the accompanying Consolidated Condensed Statement of Earnings.
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, 2017 of $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 IRS and receipt of other regulatory approvals.

NOTE 5. GOODWILL

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

<table>
<thead>
<tr>
<th></th>
<th>Balance, December 31, 2017</th>
<th>Attributable to 2018 acquisitions</th>
<th>Adjustments due to finalization of purchase price allocations</th>
<th>Foreign currency translation and other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, September 28, 2018</td>
<td>$26,035.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The carrying value of goodwill by segment is summarized as follows ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>September 28, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Sciences</td>
<td>$13,378.9</td>
<td>$12,335.5</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>6,952.4</td>
<td>7,079.5</td>
</tr>
<tr>
<td>Dental</td>
<td>3,331.5</td>
<td>3,370.0</td>
</tr>
<tr>
<td>Environmental &amp; Applied Solutions</td>
<td>2,372.2</td>
<td>2,353.6</td>
</tr>
<tr>
<td>Total</td>
<td>$26,035.0</td>
<td>$25,138.6</td>
</tr>
</tbody>
</table>

The Company has not identified any “triggering” events which indicate an impairment of goodwill in the nine-month period ended September 28, 2018.

NOTE 6. 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.
Financial assets and liabilities that are measured at fair value on a recurring basis were as follows ($ in millions):

<table>
<thead>
<tr>
<th>September 28, 2018:</th>
<th>Quoted Prices in Active Market (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale debt securities</td>
<td>— $ 40.3</td>
<td>$ 40.3</td>
<td>— $ 40.3</td>
<td>$ 40.3</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred compensation plans</td>
<td>— 65.4</td>
<td>— 65.4</td>
<td>— 65.4</td>
<td>65.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2017:</th>
<th>Quoted Prices in Active Market (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale debt securities</td>
<td>— $ 45.4</td>
<td>$ 45.4</td>
<td>— $ 45.4</td>
<td>$ 45.4</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred compensation plans</td>
<td>— 62.9</td>
<td>— 62.9</td>
<td>— 62.9</td>
<td>62.9</td>
</tr>
</tbody>
</table>

Available-for-sale debt securities, which are included in other long-term assets in the accompanying Consolidated Condensed Balance Sheets, are measured 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.

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 at or 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 Condensed Balance Sheets. 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 based on the value of 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.

**Fair Value of Financial Instruments**

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

<table>
<thead>
<tr>
<th>September 28, 2018</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale debt securities</td>
<td>$ 40.3</td>
<td>$ 40.3</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable and current portion of long-term debt</td>
<td>59.8</td>
<td>59.8</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>10,558.0</td>
<td>10,893.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>December 31, 2017</th>
<th>Carrying Amount</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available-for-sale debt securities</td>
<td>$ 45.4</td>
<td>$ 45.4</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes payable and current portion of long-term debt</td>
<td>194.7</td>
<td>194.7</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>10,327.4</td>
<td>10,847.1</td>
</tr>
</tbody>
</table>

As of September 28, 2018 and December 31, 2017, available-for-sale debt securities were categorized as Level 2, as indicated above, 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.

NOTE 7. FINANCING
As of September 28, 2018, the Company was in compliance with all of its debt covenants. The components of the Company’s debt were as follows ($ in millions):

<table>
<thead>
<tr>
<th>Description</th>
<th>September 28, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. dollar-denominated commercial paper</td>
<td>$—</td>
<td>$436.9</td>
</tr>
<tr>
<td>Euro-denominated commercial paper (€2.9 billion and €1.7 billion, respectively)</td>
<td>3,324.3</td>
<td>1,993.9</td>
</tr>
<tr>
<td>1.65% senior unsecured notes due 2018 (the “2018 U.S. Notes”)</td>
<td>$—</td>
<td>499.2</td>
</tr>
<tr>
<td>1.0% senior unsecured notes due 2019 (€600.0 million aggregate principal amount) (the “2019 Euronotes”)</td>
<td>695.6</td>
<td>718.4</td>
</tr>
<tr>
<td>2.4% senior unsecured notes due 2020</td>
<td>498.3</td>
<td>497.7</td>
</tr>
<tr>
<td>5.0% senior unsecured notes due 2020 (the “2020 Assumed Pall Notes”)</td>
<td>390.5</td>
<td>394.6</td>
</tr>
<tr>
<td>Zero-coupon Liquid Yield Option Notes (LYONs) due 2021</td>
<td>58.3</td>
<td>69.1</td>
</tr>
<tr>
<td>0.352% senior unsecured notes due 2021 (§30.0 billion aggregate principal amount) (the “2021 Yen Notes”)</td>
<td>263.5</td>
<td>265.5</td>
</tr>
<tr>
<td>1.7% senior unsecured notes due 2022 (€800.0 million aggregate principal amount) (the “2022 Euronotes”)</td>
<td>924.8</td>
<td>955.6</td>
</tr>
<tr>
<td>Floating rate senior unsecured notes due 2022 (€250.0 million aggregate principal amount) (the “Floating Rate 2022 Euronotes”)</td>
<td>289.4</td>
<td>299.1</td>
</tr>
<tr>
<td>0.5% senior unsecured bonds due 2023 (CHF 540.0 million aggregate principal amount) (the “2023 CHF Bonds”)</td>
<td>551.8</td>
<td>555.5</td>
</tr>
<tr>
<td>2.5% senior unsecured notes due 2025 (€800.0 million aggregate principal amount) (the “2025 Euronotes”)</td>
<td>924.4</td>
<td>955.6</td>
</tr>
<tr>
<td>3.35% senior unsecured notes due 2025</td>
<td>496.7</td>
<td>496.3</td>
</tr>
<tr>
<td>0.3% senior unsecured notes due 2027 ($30.8 billion aggregate principal amount) (the “2027 Yen Notes”)</td>
<td>270.1</td>
<td>272.2</td>
</tr>
<tr>
<td>1.2% senior unsecured notes due 2027 (€600.0 million aggregate principal amount) (the “2027 Euronotes”)</td>
<td>690.8</td>
<td>714.1</td>
</tr>
<tr>
<td>1.125% senior unsecured bonds due 2028 (CHF 210.0 million aggregate principal amount) (the “2028 CHF Bonds”)</td>
<td>218.6</td>
<td>220.3</td>
</tr>
<tr>
<td>0.65% senior unsecured notes due 2032 ($53.2 billion aggregate principal amount) (the “2032 Yen Notes”)</td>
<td>466.4</td>
<td>470.2</td>
</tr>
<tr>
<td>4.375% senior unsecured notes due 2045</td>
<td>499.3</td>
<td>499.3</td>
</tr>
<tr>
<td>Other</td>
<td>55.0</td>
<td>208.6</td>
</tr>
<tr>
<td>Total debt</td>
<td>$10,617.8</td>
<td>$10,522.1</td>
</tr>
<tr>
<td>Less: currently payable</td>
<td>$59.8</td>
<td>$194.7</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>$10,558.0</td>
<td>$10,327.4</td>
</tr>
</tbody>
</table>

For additional details regarding the Company’s debt financing, reference is made to Note 9 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report.

The Company satisfies any short-term liquidity needs that are not met through operating cash flow and available cash primarily through issuances of commercial paper under its U.S. dollar and euro-denominated commercial paper programs. Credit support for the commercial paper programs is generally provided by the Company’s $4.0 billion unsecured, multi-year revolving credit facility with a syndicate of banks that expires on July 10, 2020 (the “Credit Facility”), which can also be used for working.
capital and other general corporate purposes, and the 364-Day Facility described below. As of September 28, 2018, no borrowings were outstanding under the Credit Facility or the 364-Day Facility, and the Company was in compliance with all covenants thereunder. In addition to the Credit Facility and the 364-Day Facility, the Company has also entered into reimbursement agreements with various commercial banks to support the issuance of letters of credit.

As of September 28, 2018, borrowings outstanding under the Company’s euro-denominated commercial paper program had a weighted average annual interest rate of negative 0.3% and a weighted average remaining maturity of approximately 45 days and no borrowings were outstanding under the Company’s U.S. dollar denominated program.

The Company has classified the €600 million of 2019 Euronotes and approximately $3.3 billion of its borrowings outstanding under the commercial paper programs as of September 28, 2018 as long-term debt in the accompanying Consolidated Condensed 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.

Debt discounts, premiums and debt issuance costs totaled $20 million and $25 million as of September 28, 2018 and December 31, 2017, respectively, and have been netted against the aggregate principal amounts of the related debt in the components of debt table above.

364-Day Revolving Credit Facility

On March 23, 2018, the Company entered into a $1.0 billion 364-day revolving credit facility (the “364-Day Facility”) to provide liquidity support for the issuance of additional commercial paper to fund a portion of the IDT acquisition (refer to Note 3 for information about the acquisition). The 364-Day Facility expires on March 22, 2019 (the “Scheduled Termination Date”). The Company may elect, upon the payment of a fee equal to 0.75% of the principal amount of the loans then outstanding and, upon the satisfaction of certain conditions, to convert any loans outstanding on the Scheduled Termination Date into term loans that are due and payable one year following the Scheduled Termination Date.

Borrowings under the 364-Day Facility bear interest as follows: (1) Eurodollar Rate Loans bear interest at a variable rate per annum equal to the London inter-bank offered rate plus 81.5 basis points; and (2) Base Rate Loans bear interest at a variable rate per annum equal to the highest of (a) the Federal funds rate (as published by the Federal Reserve Bank of New York from time to time) plus 0.5%, (b) the rate of interest in effect for such day as publicly announced by Bank of America, N.A. as its “prime rate,” and (c) the Eurodollar Rate plus 1.0%. In addition, the Company is required to pay a per annum facility fee of six basis points based on the aggregate commitments under the 364-Day Facility, regardless of usage.

The 364-Day Facility requires the Company to maintain a consolidated leverage ratio (as defined in the facility) of 6.5 to 1.00 or less. Borrowings under the 364-Day Facility are prepayable at the Company’s option at any time in whole or in part without premium or penalty.

The Company’s obligations under the 364-Day Facility are unsecured. The Company has unconditionally and irrevocably guaranteed the obligations of each of its subsidiaries in the event a subsidiary is named a borrower under the 364-Day Facility. The 364-Day Facility contains customary representations, warranties, conditions precedent, events of default, indemnities and affirmative and negative covenants.

2018 Long-Term Debt Repayments

The $500 million 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.

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.
LYONs Redemption

During the nine-month period ended September 28, 2018, holders of certain of the Company’s LYONs converted such LYONs into an aggregate of approximately 487 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 $4 million was transferred to additional paid-in capital as a result of the conversions.

NOTE 8. DEFINED BENEFIT PLANS

The following sets forth the components of the Company’s net periodic benefit cost of the noncontributory defined benefit pension plans ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th></th>
<th>Nine-Month Period Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td><strong>U.S. pension benefits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$ (1.2)</td>
<td>$ (1.9)</td>
<td>$ (5.4)</td>
<td>$ (5.7)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(20.3)</td>
<td>(20.1)</td>
<td>(60.7)</td>
<td>(62.1)</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>33.0</td>
<td>32.4</td>
<td>99.2</td>
<td>98.2</td>
</tr>
<tr>
<td>Amortization of actuarial loss</td>
<td>(8.0)</td>
<td>(5.9)</td>
<td>(23.6)</td>
<td>(19.1)</td>
</tr>
<tr>
<td>Amortization of prior service cost</td>
<td>(0.2)</td>
<td>—</td>
<td>(0.7)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net periodic pension benefit</strong></td>
<td>$ 3.3</td>
<td>$ 4.5</td>
<td>$ 8.8</td>
<td>$ 11.3</td>
</tr>
</tbody>
</table>

|                          |                         |         |                         |         |
| **Non-U.S. pension benefits:** |                         |         |                         |         |
| Service cost             | $ (8.6)                 | $ (8.1) | $ (26.2)                | $ (23.7)|
| Interest cost            | (6.3)                   | (6.7)   | (19.6)                  | (19.5)  |
| Expected return on plan assets | 11.6                 | 10.8    | 35.6                    | 31.5    |
| Amortization of actuarial loss | (1.5)                 | (2.0)   | (4.5)                   | (5.8)   |
| Amortization of prior service credit | 0.2                | 0.1     | 0.4                     | 0.3     |
| Settlement loss recognized | 1.2                    | —       | 0.8                     | —       |
| **Net periodic pension cost** | $ (3.4)                | $ (5.9) | $ (13.5)                | $ (17.2)|

The following sets forth the components of the Company’s net periodic benefit cost of the other postretirement employee benefit plans ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th></th>
<th>Nine-Month Period Ended</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Service cost</td>
<td>$ —</td>
<td>$ (0.1)</td>
<td>$ (0.3)</td>
<td>$ (0.5)</td>
</tr>
<tr>
<td>Interest cost</td>
<td>(1.2)</td>
<td>(1.1)</td>
<td>(3.5)</td>
<td>(3.7)</td>
</tr>
<tr>
<td>Amortization of prior service credit</td>
<td>0.6</td>
<td>0.8</td>
<td>1.8</td>
<td>2.4</td>
</tr>
<tr>
<td><strong>Net periodic benefit cost</strong></td>
<td>$ (0.6)</td>
<td>$ (0.4)</td>
<td>$ (2.0)</td>
<td>$ (1.8)</td>
</tr>
</tbody>
</table>
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, 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 restated the prior period presentation for the adoption of this ASU, resulting in a decrease in operating profit and an increase in other income, net of $8.3 million and $22.2 million for the three and nine-month periods ended September 29, 2017. The net periodic benefit cost of the noncontributory defined benefit pension plans and other postretirement employee benefit plans incurred during the three and nine-month periods ended September 28, 2018 and September 29, 2017 are reflected in the following captions in the accompanying Consolidated Condensed Statements of Earnings ($ in millions):

<table>
<thead>
<tr>
<th>Service cost:</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>$ (1.6)</td>
<td>$ (2.1)</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(8.2)</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Total service cost</td>
<td>(9.8)</td>
<td>(10.1)</td>
</tr>
</tbody>
</table>

| Other net periodic benefit costs: | | | |
| Other income, net | 9.1 | 8.3 | 25.2 | 22.2 |
| Total | $ (0.7) | $ (1.8) | $ (6.7) | $ (7.7) |

### Employer Contributions

During 2018, the Company’s cash contribution requirements for its U.S. and non-U.S. defined benefit pension plans are forecasted to be approximately $30 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.

### NOTE 9. INCOME TAXES

The following table summarizes the Company’s effective tax rate from continuing operations:

<table>
<thead>
<tr>
<th>Effective tax rate from continuing operations</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Effective tax rate from continuing operations</td>
<td>17.2%</td>
<td>21.6%</td>
</tr>
</tbody>
</table>

The effective tax rate for 2018 includes the benefit of a lower U.S. corporate income tax rate of 21.0% from the enactment of the TCJA, partially offset by a new minimum tax on certain non-U.S. earnings. In addition, the Company’s effective tax rate benefits from the impact of earnings outside the United States which overall are taxed at rates lower than the U.S. federal rate. The effective tax rate for the three-month period ended September 28, 2018 includes net tax benefits of $23 million ($0.03 per diluted share) related primarily to the release of valuation allowances associated with certain foreign operating losses and excess tax benefits from stock-based compensation, which in aggregate reduced the reported tax rate by 2.9%. The effective tax rate for the nine-month period ended September 28, 2018 also includes these benefits, in addition to net tax benefits of $9 million ($0.01 per diluted share) recorded in the second quarter of 2018 related to the release of reserves upon the expiration of statutes of limitation and excess tax benefits from stock-based compensation, which were partially offset by increases in estimates associated with prior period uncertain tax positions.

The Company’s effective tax rate for 2017 differed from the then-effective U.S. federal statutory rate of 35.0% due principally to the Company’s earnings outside the United States which overall are taxed at rates lower than such U.S. federal rate. The effective tax rate for the nine-month period ended September 29, 2017 includes a benefit from the release of reserves upon the expiration of statutes of limitations and audit settlements, excess tax benefits from stock-based compensation, as well as higher tax benefits from restructuring charges that are predominantly in the United States, which in aggregate decreased the reported tax rate by 3.3%.
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:

- establishes a flat corporate income tax rate of 21.0% on U.S. earnings;
- imposes 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 (Global Intangible Low-Taxed Income or "GILTI Tax");
- subjects certain payments made by a U.S. company to a related foreign company to certain minimum taxes (Base Erosion Anti-Abuse Tax);
- eliminates 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.

As U.S. 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, the Company recognized an estimate of the impact of the TCJA in the year ended December 31, 2017. 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 is payable over a period of eight years. 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 2017. For a description of the impact of the TCJA for the year ended December 31, 2017 reference is made to Note 12 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report.

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. SAB No. 118 provides that where reasonable estimates can be made, the provisional accounting should be based on such estimates and when no reasonable estimate can be made, the provisional accounting may be based on the tax law in effect before the TCJA. During the three and nine-month periods ended September 28, 2018, there were no changes made to the provisional amounts recognized in 2017. The Company continues to analyze the effects of the TCJA on its Consolidated Condensed Financial Statements. Additional impacts from the enactment of the TCJA will be recorded as they are identified during the measurement period as provided for in SAB No. 118, which extends up to one year from the enactment date. The final impact of the TCJA may differ from the provisional amounts that have been recognized, possibly materially, due to, among other things, changes in the Company’s interpretation of the TCJA, legislative or administrative actions to clarify the intent of the statutory language provided that differ from the Company’s current interpretation, any changes in accounting standards for income taxes or related interpretations in response to the TCJA, or any updates or changes to estimates utilized to calculate the impacts, including changes to current year earnings estimates and applicable foreign exchange rates. Additionally, the Company’s U.S. tax returns for 2017 will be filed during the fourth quarter of 2018 and any changes to the tax positions reflected in those returns compared to the estimates recorded in the Company’s earnings for the year ended December 31, 2017 will result in an adjustment of the estimated tax provision recorded as of December 31, 2017.

The Company also continues to evaluate the impact of the GILTI provisions under the TCJA which are complex and subject to continuing regulatory interpretation by the U.S. Internal Revenue Service ("IRS"). The Company is required to make an accounting policy election of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current period expense when incurred (the “period cost method”) or (2) factoring such amounts into the Company’s measurement of its deferred taxes (the “deferred method”). The Company’s accounting policy election with respect to the new GILTI Tax rules will depend, in part, on analyzing its global income to determine whether it can reasonably estimate the tax impact. While the Company has included an estimate of GILTI in its estimated effective tax rate for 2018, it has not completed its analysis and has not determined which method to elect. Adjustments related to the amount of GILTI Tax recorded in its Consolidated Condensed Financial Statements may be required based on the outcome of this election.
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 including interest through September 28, 2018 (approximately $247 million based on the exchange rate as of September 28, 2018), imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company’s subsidiaries for the years 2004-2009. The Company is currently in discussions with SKAT and anticipates receiving an assessment for years 2010-2012 totaling approximately DKK 939 million including interest through September 28, 2018 (approximately $146 million based on the exchange rate as of September 28, 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 to 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 effective tax rate.

NOTE 10. NONOPERATING INCOME (EXPENSE)
As described in Note 1 and Note 8, 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 three and nine-month periods ended September 28, 2018 were $9 million and $25 million, respectively, compared to $8 million and $22 million for the three and nine-month periods ended September 29, 2017, respectively.

NOTE 11. COMMITMENTS AND CONTINGENCIES
For a description of the Company’s litigation and contingencies, reference is made to Note 16 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report.

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 period terms depend on the nature of the product and range from 90 days 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):

<table>
<thead>
<tr>
<th>Balance, December 31, 2017</th>
<th>$ 79.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals for warranties issued during the period</td>
<td>44.8</td>
</tr>
<tr>
<td>Settlements made</td>
<td>(44.1)</td>
</tr>
<tr>
<td>Effect of foreign currency translation</td>
<td>(1.7)</td>
</tr>
<tr>
<td>Balance, September 28, 2018</td>
<td>$ 78.0</td>
</tr>
</tbody>
</table>

NOTE 12. STOCK TRANSACTIONS AND STOCK-BASED COMPENSATION
Neither the Company nor any “affiliated purchaser” repurchased any shares of Company common stock during the nine-month period ended September 28, 2018. 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. As of September 28, 2018, 20 million shares remained available for repurchase pursuant to the Repurchase Program.

For a full description of the Company’s stock-based compensation programs, reference is made to Note 17 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report. As of September 28, 2018, approximately 59 million shares of the Company’s common stock were reserved for issuance under the 2007 Omnibus Incentive Plan.

22
The following summarizes the components of the Company’s stock-based compensation expense ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td><strong>Restricted stock units (“RSUs”)/performance stock units (“PSUs”):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax compensation expense</td>
<td>$24.0</td>
<td>$21.9</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(5.0)</td>
<td>(6.6)</td>
</tr>
<tr>
<td>RSU/PSU expense, net of income taxes</td>
<td>19.0</td>
<td>15.3</td>
</tr>
<tr>
<td><strong>Stock options:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax compensation expense</td>
<td>14.2</td>
<td>11.5</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(3.0)</td>
<td>(3.6)</td>
</tr>
<tr>
<td>Stock option expense, net of income taxes</td>
<td>11.2</td>
<td>7.9</td>
</tr>
<tr>
<td><strong>Total stock-based compensation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pretax compensation expense</td>
<td>38.2</td>
<td>33.4</td>
</tr>
<tr>
<td>Income tax benefit</td>
<td>(8.0)</td>
<td>(10.2)</td>
</tr>
<tr>
<td>Total stock-based compensation expense, net of income taxes</td>
<td>$30.2</td>
<td>$23.2</td>
</tr>
</tbody>
</table>

Stock-based compensation has been recognized as a component of selling, general and administrative expenses in the accompanying Consolidated Condensed Statements of Earnings. As of September 28, 2018, $171 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 September 28, 2018, $151 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.

**NOTE 13. 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 three-month period ended September 28, 2018, no options to purchase shares were excluded from the diluted EPS from continuing operations calculation. For the nine-month period ended September 28, 2018, one million options to purchase shares were not included in the diluted EPS from continuing operations calculation as the impact of their inclusion would have been anti-dilutive. For both the three and nine-month periods ended September 29, 2017, approximately four million options to purchase shares were not included in the diluted EPS from continuing operations calculation as the impact of their inclusion would have been anti-dilutive.
Information related to the calculation of net earnings per share from continuing operations is summarized as follows ($ and shares in millions, except per share amounts):

<table>
<thead>
<tr>
<th>Source: DANAHER CORP./DE/, 10-Q, October 18, 2018</th>
<th>Powered by Morningstar® Document Research℠</th>
</tr>
</thead>
<tbody>
<tr>
<td>The information contained herein may not be copied, adapted or distributed and is not warranted to be accurate, complete or timely. The user assumes all risks for any damages or losses arising from any use of this information, except to the extent such damages or losses cannot be limited or excluded by applicable law. Past financial performance is no guarantee of future results.</td>
<td>24</td>
</tr>
</tbody>
</table>
NOTE 14. 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. Intersegment amounts are not significant and are eliminated to arrive at consolidated totals. 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. There has been no material change in total assets or liabilities by segment since December 31, 2017, with the exception of the inclusion of IDT in the Life Sciences segment in April 2018 (refer to Note 3 for additional information).

Segment results are shown below ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td></td>
<td></td>
<td>September 28, 2018</td>
</tr>
<tr>
<td>Sales:</td>
<td>$ 1,596.7</td>
<td>$ 1,392.6</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>1,502.5</td>
<td>1,448.7</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>679.5</td>
<td>694.0</td>
</tr>
<tr>
<td>Environmental &amp; Applied Solutions</td>
<td>1,074.4</td>
<td>992.9</td>
</tr>
<tr>
<td>Total</td>
<td>$ 4,853.1</td>
<td>$ 4,528.2</td>
</tr>
<tr>
<td>Operating profit:</td>
<td>$ 312.8</td>
<td>$ 246.8</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>235.1</td>
<td>242.7</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>86.1</td>
<td>102.2</td>
</tr>
<tr>
<td>Environmental &amp; Applied Solutions</td>
<td>254.3</td>
<td>222.8</td>
</tr>
<tr>
<td>Other</td>
<td>(57.6)</td>
<td>(55.3)</td>
</tr>
<tr>
<td>Total</td>
<td>$ 830.7</td>
<td>$ 759.2</td>
</tr>
</tbody>
</table>
ITEM 2. 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 Corporation’s (“Danaher,” the “Company,” “we,” “us” or “our”) financial statements with a narrative from the perspective of Company management. The Company’s MD&A is divided into five sections:

- Information Relating to Forward-Looking Statements
- Overview
- Results of Operations
- Liquidity and Capital Resources
- Critical Accounting Estimates

You should read this discussion along with the Company’s MD&A and audited financial statements as of and for the year ended December 31, 2017 and Notes thereto, included in the Company’s 2017 Annual Report on Form 10-K filed on February 21, 2018 and the Company’s Consolidated Condensed Financial Statements and related Notes as of and for the three and nine-month periods ended September 28, 2018 included in this Report.

Unless otherwise indicated, all financial results in this report refer to continuing operations.

INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this quarterly report, in other documents we file with or furnish to the Securities and Exchange Commission, in our press releases, webcasts, conference calls, materials delivered to shareholders and other communications, are “forward-looking statements” within the meaning of the United States 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; 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. 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. Important factors that in some cases have affected us in the past and that in the future could cause actual results to differ materially from those envisaged in the forward-looking statements include the following:

- We intend to spin-off our Dental business into an independent, publicly traded company by 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.
- Conditions in the global economy, the markets we serve and the financial markets may adversely affect our business and financial statements.
- Significant developments or uncertainties stemming from the current 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.
• Our growth could suffer if the markets into which we sell our products and services decline, do not grow as anticipated or experience cyclicality.

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

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

• Certain of our businesses are subject to extensive regulation by the U.S. Food and Drug Administration 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 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.

• Any inability to consummate acquisitions at our historical rate and at appropriate prices could negatively impact our growth rate and stock price.

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

• 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.

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

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

• Potential indemnification liabilities pursuant to any of the 2016 spin-off of Fortive, the 2015 split-off of our communications business or the anticipated spin-off of our Dental business could materially and adversely affect our business and financial statements.

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

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

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

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

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

• 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.

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

• 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.
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.

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.

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.

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.

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.

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.

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 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.

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

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.

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

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

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

The United Kingdom’s referendum favoring departure from the EU could have an adverse effect on our business.

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

See Part I—Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 for a further discussion regarding reasons that actual results may differ materially from the results, developments and business decisions contemplated by our 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.

OVERVIEW

General

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 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 and Outlook

During the third quarter of 2018, the Company’s revenues increased 7.0% compared to the comparable period of 2017. While differences exist among the Company’s businesses, on an overall basis, demand for the Company’s products and services increased during the third quarter of 2018 compared to the comparable period of 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 6.5% (for the definition of “core sales” or “core revenue” refer to “—Results of Operations” below). Geographically, both high-growth and developed markets contributed to core sales growth during the third quarter of 2018. Core revenues in high-growth markets increased at a double digit rate during the third quarter of 2018 as compared to the comparable period of 2017 led primarily by continued strength in China. High-growth markets represented approximately 31% of the Company’s total sales in the third quarter of 2018. Core revenues in developed markets increased at a mid-single digit rate during the third quarter of 2018 led primarily by growth in North America and Western Europe. The Company expects overall year-over-year sales growth to continue for the remainder of 2018 but remains cautious about challenges due to macro-economic and geopolitical uncertainties, including global uncertainties related to trade, tariffs, monetary and fiscal policies. For additional information regarding the Company’s sales by geographical region during the three and nine-month periods ended September 28, 2018, please refer to Note 2 to the accompanying Consolidated Condensed Financial Statements.

The Company’s net earnings from continuing operations for the three and nine-month periods ended September 28, 2018 totaled $664 million or $0.93 per diluted share and approximately $1.9 billion or $2.68 per diluted share, respectively, compared to $572 million or $0.81 per diluted share and approximately $1.6 billion or $2.29 per diluted share, respectively, for the three and nine-month periods ended September 29, 2017. The factors discussed below in “Results of Operations” are the primary drivers of the increase in net earnings from continuing operations and diluted earnings per share for the three and nine-month periods ended September 28, 2018.

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 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 Condensed Financial Statements as of and for the three and nine-month periods ended September 28, 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 Condensed Financial Statements.

Acquisitions & Proposed Dental Separation

The Company’s growth strategy contemplates future acquisitions. Operations and results can be affected by the rate and extent to which appropriate acquisition opportunities are available, acquired businesses are effectively integrated, and anticipated synergies or cost savings are achieved.

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. 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 the first nine months of 2018 the Company acquired one other business for total consideration of $95 million in cash, net of cash acquired. The business acquired complements existing units 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 approximately $26 million. The Company preliminarily recorded an aggregate of $71 million of goodwill related to this acquisition.

For a description of Danaher’s plan to distribute ownership of its Dental business to Danaher shareholders in a tax-free spin-off transaction, see “Results of Operations—Dental.”

**Currency Exchange Rates**

On a year-over-year basis, currency exchange rates negatively impacted reported sales by approximately 1.5% for the three-month period ended September 28, 2018, compared to the comparable period of 2017, primarily due to the strength of the U.S. dollar against several major currencies in the third quarter of 2018. For the nine-month period ended September 28, 2018, currency exchange rates increased reported sales by approximately 2.0% reflecting the weakness of the U.S. dollar during the first six months of 2018 which more than offset the strengthening experienced in the third quarter of 2018. If the currency exchange rates in effect as of September 28, 2018 were to prevail throughout the remainder of 2018, currency exchange rates would reduce the Company’s estimated sales for the fourth quarter of 2018 by approximately 1.5% on a year-over-year basis. Any future strengthening of the U.S. dollar against major currencies would adversely impact the Company’s sales and results of operations for the remainder of the year, and any weakening of the U.S. dollar against major currencies would positively impact the Company’s sales and results of operations for the remainder of the year.

**RESULTS OF OPERATIONS**

**Non-GAAP Measures**

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 U.S. 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. The Company 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 the Danaher Business System.
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Core Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales growth (GAAP)</td>
<td>7.0 %</td>
<td>9.5 %</td>
</tr>
<tr>
<td>Less the impact of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(2.0)%</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Currency exchange rates</td>
<td>1.5 %</td>
<td>(2.0)%</td>
</tr>
<tr>
<td>Core revenue growth (non-GAAP)</td>
<td>6.5 %</td>
<td>6.0 %</td>
</tr>
</tbody>
</table>

Operating Profit Performance

Operating profit margins increased 30 basis points during the three-month period ended September 28, 2018 as compared to the comparable period of 2017.

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

- Higher 2018 core sales volumes, incremental year-over-year cost savings associated with continuing productivity improvement initiatives taken in 2017, net of incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments and the impact of foreign currency exchange rates in the third quarter of 2018 - 50 basis points

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

- The incremental net dilutive effect in 2018 of acquired businesses - 20 basis points

Operating profit margins increased 130 basis points during the nine-month period ended September 28, 2018 as compared to the comparable period of 2017.

Year-to-date 2018 vs. year-to-date 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 ongoing restructuring actions and continuing productivity improvement initiatives taken in 2017, net of incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments - 100 basis points

- Restructuring, impairment and other related charges related to discontinuing a product line in the second quarter of 2017 - 55 basis points

- Second quarter 2018 gain on resolution of acquisition-related matters - 5 basis points

Year-to-date 2018 vs. year-to-date 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 20 basis points

- Acquisition-related charges associated with transaction costs and fair value adjustments to acquired inventory recorded in the second quarter of 2018 in connection with the IDT acquisition - 10 basis points
Table of Contents

Business Segments

Sales by business segment for each of the periods indicated were as follows ($ in millions):

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>$1,596.7</td>
<td>$1,392.6</td>
</tr>
<tr>
<td>Diagnostics</td>
<td>1,502.5</td>
<td>1,448.7</td>
</tr>
<tr>
<td>Dental</td>
<td>679.5</td>
<td>694.0</td>
</tr>
<tr>
<td>Environmental &amp; Applied Solutions</td>
<td>1,074.4</td>
<td>992.9</td>
</tr>
<tr>
<td>Total</td>
<td>$4,853.1</td>
<td>$4,528.2</td>
</tr>
</tbody>
</table>

For information regarding the Company’s sales by geographical region during the three and nine-month periods ended September 28, 2018, please refer to Note 2 to the accompanying Consolidated Condensed Financial Statements.

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, through its Pall Corporation business, is also a leading provider of filtration, separation and purification technologies to the biopharmaceutical, food and beverage, medical, aerospace, microelectronics and general industrial segments.

Life Sciences Selected Financial Data

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,596.7</td>
<td>$1,392.6</td>
</tr>
<tr>
<td>Operating profit</td>
<td>312.8</td>
<td>246.8</td>
</tr>
<tr>
<td>Depreciation</td>
<td>32.6</td>
<td>29.5</td>
</tr>
<tr>
<td>Amortization</td>
<td>84.2</td>
<td>76.9</td>
</tr>
<tr>
<td>Operating profit as a % of sales</td>
<td>19.6%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Depreciation as a % of sales</td>
<td>2.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Amortization as a % of sales</td>
<td>5.3%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Core Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales growth (GAAP)</td>
<td>14.5%</td>
<td>14.5%</td>
</tr>
<tr>
<td>Less the impact of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(6.5)%</td>
<td>(4.5)%</td>
</tr>
<tr>
<td>Currency exchange rates</td>
<td>1.5%</td>
<td>(2.5)%</td>
</tr>
<tr>
<td>Core revenue growth (non-GAAP)</td>
<td>9.5%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Price increases in the segment contributed 0.5% to sales growth on a year-over-year basis during both the three and nine-month periods ended September 28, 2018, and are reflected as a component of core revenue growth.

Core sales of the business’ broad range of mass spectrometers grew on a year-over-year basis during both the three and nine-month periods ended September 28, 2018, led by strong sales growth in high-growth markets, particularly China and the rest of Asia, and North America. Core sales of microscopy products grew during both the three and nine-month periods ended
September 28, 2018 across most major end-markets, due partially to demand related to the release of new products in 2018. Geographically, demand for microscopy products increased in North America and in high-growth markets, primarily China. Demand for the business’ flow cytometry and particle counting product lines was strong across most major geographies, led by North America and China in both the three and nine-month periods ended September 28, 2018, as well as Western Europe in the nine-month period ended September 28, 2018. New product launches in 2018 also contributed to the increased demand. Core sales for filtration, separation and purification technologies increased across most major geographies in both the three and nine-month periods ended September 28, 2018 versus comparable periods in 2017, led by continued growth in the biopharmaceutical, microelectronics and fluid technology and asset protection end-markets, as well as the laboratory, food and beverage end-markets during the three-month period ended September 28, 2018.

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, and through the potential future acquisition of complementary businesses. During the three and nine-month periods ended September 28, 2018, IDT’s revenues grew on a year-over-year basis with growth across all major geographies and product lines.

Operating Profit Performance

Operating profit margins increased 190 basis points during the three-month period ended September 28, 2018 as compared to the comparable period of 2017.

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

- Higher 2018 core sales volumes and incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017, net of incremental year-over-year costs associated with various new product development, sales and marketing growth investments and the impact of foreign currency exchange rates in the third quarter of 2018 - 230 basis points

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

- The incremental net dilutive effect in 2018 of acquired businesses - 40 basis points

Operating profit margins increased 210 basis points during the nine-month period ended September 28, 2018 as compared to the comparable period of 2017.

Year-to-date 2018 vs. year-to-date 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 core sales volumes, incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017 and the impact of foreign currency exchange rates in the nine-month period in 2018, net of incremental year-over-year costs associated with various new product development, sales and marketing growth investments - 255 basis points

- Second quarter 2018 gain on resolution of acquisition-related matters - 20 basis points

Year-to-date 2018 vs. year-to-date 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 30 basis points

- Acquisition-related charges associated with transaction costs and fair value adjustments to acquired inventory recorded in the second quarter of 2018 in connection with the IDT acquisition - 35 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.

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Diagnostics Selected Financial Data

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,502.5</td>
<td>$1,448.7</td>
</tr>
<tr>
<td>Operating profit</td>
<td>235.1</td>
<td>242.7</td>
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<tr>
<td>Depreciation</td>
<td>92.2</td>
<td>92.6</td>
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<td>Amortization</td>
<td>52.1</td>
<td>54.2</td>
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<tr>
<td>Operating profit as a % of sales</td>
<td>15.6%</td>
<td>16.8%</td>
</tr>
<tr>
<td>Depreciation as a % of sales</td>
<td>6.1%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Amortization as a % of sales</td>
<td>3.5%</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Core Revenue

| Total sales growth (GAAP)       | 3.5%                     | 8.5%                    |
| Currency exchange rates         | 2.0%                     | (2.0)%                  |
| Core revenue growth (non-GAAP)  | 5.5%                     | 6.5%                    |

Pricing in the segment negatively impacted sales growth by 0.5% on a year-over-year basis during the three and nine-month periods ended September 28, 2018, and is reflected as a component of core revenue growth.

During both the three and nine-month periods ended September 28, 2018, core sales grew in the molecular diagnostics business driven by strong growth in both developed and high-growth markets. During the first quarter of 2018, the molecular diagnostics business experienced particularly strong growth in the infectious diseases product line driven in part by the severity of the flu season. Core sales in the segment’s clinical lab business increased on a year-over-year basis for both the three and nine-month periods ended September 28, 2018 due to increased demand in the high-growth markets, led by China, partially offset by the developed markets. For the three and nine-month periods, the increased demand was driven by the immunoassay and automation product lines. Core sales in the acute care diagnostic business increased year-over-year in both the three and nine-month periods ended September 28, 2018, due to continued strong sales of blood gas and immunoassay product lines across most major geographies, with particularly strong growth in the high-growth markets. Core sales in the pathology diagnostics business grew year-over-year in both the three and nine-month periods ended September 28, 2018, led by demand for new products in both the advanced staining and core histology product lines. Core sales in the pathology diagnostics business increased across most major geographies, led by North America, Western Europe and China in both the three and nine-month periods ended September 28, 2018.

Operating Profit Performance

Operating profit margins decreased 120 basis points during the three-month period ended September 28, 2018 as compared to the comparable period of 2017. The following factor unfavorably impacted year-over-year operating profit margin comparisons:

- Incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments and the impact of foreign currency exchange rates in the third quarter of 2018, net of higher 2018 core sales volumes and incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017 - 120 basis points

Operating profit margins increased 340 basis points during the nine-month period ended September 28, 2018 as compared to the comparable period of 2017. The following factors favorably impacted year-over-year operating profit margin comparisons:

- Higher 2018 core sales volumes, incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017, net of the impact of foreign currency exchange rates in
the nine-month period and incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments - 160 basis points

- Restructuring, impairment and other related charges related to discontinuing a product line in the second quarter of 2017 - 180 basis points

DENTAL

The Company’s Dental segment provides products 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. 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

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>September 28, 2018 $679.5</td>
<td>September 29, 2017 $694.0</td>
</tr>
<tr>
<td></td>
<td>September 28, 2018 $2,085.5</td>
<td>September 29, 2017 $2,052.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>86.1</td>
<td>102.2</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9.4</td>
<td>9.3</td>
</tr>
<tr>
<td>Amortization</td>
<td>22.5</td>
<td>20.8</td>
</tr>
<tr>
<td>Operating profit as a % of sales</td>
<td>12.7%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Depreciation as a % of sales</td>
<td>1.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Amortization as a % of sales</td>
<td>3.3%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Core Revenue

<table>
<thead>
<tr>
<th>% Change Three-Month Period Ended September 28, 2018 vs. Comparable 2017 Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales growth (GAAP)                                             (2.0)%</td>
</tr>
<tr>
<td>Less the impact of:</td>
</tr>
<tr>
<td>Currency exchange rates                                               1.5%</td>
</tr>
<tr>
<td>Core revenue growth (non-GAAP)                                       (0.5)%</td>
</tr>
</tbody>
</table>

Price in the segment negatively impacted sales growth by 0.5% on a year-over-year basis in both the three and nine-month periods ended September 28, 2018, and are reflected as a component of core revenue growth.

Geographically, year-over-year core revenue declines in both the three and nine-month periods ended September 28, 2018 were driven by growth in high-growth markets, primarily China and Russia, which was more than offset by declines in North America and to a lesser extent Western Europe and Japan. Core revenue growth for the specialty consumables business, which consists of implant systems and orthodontic products, was led by China and North America for both the three and nine-month periods ended September 28, 2018. Core sales of dental equipment and traditional dental consumables declined in the three and nine-month periods ended September 28, 2018, due primarily to declines in North America. For the three and nine-month periods ended September 28, 2018, lower core sales of dental equipment and traditional dental consumables product lines in North America more than offset the year-over-year growth in the specialty consumables categories, 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.

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, 2017 of $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 IRS and receipt of other regulatory approvals.
Operating Profit Performance

Operating profit margins decreased 200 basis points during the three-month period ended September 28, 2018 as compared to the comparable period of 2017. The following factors unfavorably impacted year-over-year operating profit margin comparisons:

- Lower 2018 core sales volumes of dental equipment and traditional dental consumables, incremental year-over-year costs associated with product development and sales and marketing growth investments, lower overall pricing and increased spending on productivity initiatives and the impact of foreign currency exchange rates in the third quarter of 2018, net of cost savings associated with productivity initiatives taken in 2017 - 195 basis points
- The incremental net dilutive effect in 2018 of acquired businesses - 5 basis points

Operating profit margins decreased 310 basis points during the nine-month period ended September 28, 2018 as compared to the comparable period of 2017. The following factors unfavorably impacted year-over-year operating profit margin comparisons:

- Lower 2018 core sales volumes of dental equipment and traditional dental consumables, incremental year-over-year costs associated with product development and sales and marketing growth investments, lower overall pricing and increased spending on productivity initiatives and the impact of foreign currency exchange rates for the nine-month period in 2018, net of cost savings associated with productivity initiatives taken in 2017 - 300 basis points
- The incremental net dilutive effect in 2018 of acquired businesses - 10 basis points

ENVIRONMENTAL & APPLIED SOLUTIONS

The Company’s Environmental & Applied Solutions segment products and services 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, consumables, software and services for various printing, marking, coding, traceability, packaging, design and color management applications on consumer, pharmaceutical and industrial products.

Environmental & Applied Solutions Selected Financial Data

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Sales</td>
<td>$1,074.4</td>
<td>$992.9</td>
</tr>
<tr>
<td>Operating profit</td>
<td>254.3</td>
<td>222.8</td>
</tr>
<tr>
<td>Depreciation</td>
<td>11.0</td>
<td>11.3</td>
</tr>
<tr>
<td>Amortization</td>
<td>15.3</td>
<td>14.6</td>
</tr>
<tr>
<td>Operating profit as a % of sales</td>
<td>23.7%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Depreciation as a % of sales</td>
<td>1.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Amortization as a % of sales</td>
<td>1.4%</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

Core Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales growth (GAAP)</td>
<td>8.0%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Less the impact of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(1.5)%</td>
<td>(1.5)%</td>
</tr>
<tr>
<td>Currency exchange rates</td>
<td>1.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Core revenue growth (non-GAAP)</td>
<td>8.0%</td>
<td>7.0%</td>
</tr>
</tbody>
</table>
Price increases in the segment contributed 2.0% and 1.5% to sales growth on a year-over-year basis during the three and nine-month periods ended September 28, 2018, respectively, and are reflected as a component of core revenue growth.

Core sales in the segment’s water quality business increased at a low double digit rate during the three-month period ended September 28, 2018, and at a high-single digit rate for the nine-month period ended September 28, 2018 as compared to the comparable periods of 2017. Year-over-year core sales in the analytical instrumentation product line grew in both the three and nine-month periods, driven by higher demand across all major geographies, led by China, North America and Western Europe. Core revenue growth in the business’ chemical treatment solutions product line for both the three and nine-month periods was driven by higher demand in primary metals, mining, food and beverage and commercial and institutional end-markets, partially offset by lower demand in the oil and gas and chemical end-markets. Geographically, year-over-year core revenue growth for chemical treatment solutions was driven by increased demand in North America and high-growth markets for both the three and nine-month periods. Core sales in the business’ ultraviolet water disinfection product line increased both in the three and nine-month periods ended September 28, 2018 as compared to the comparable periods of 2017, led by continued strength in municipal end-markets. Geographically, year-over-year demand for ultraviolet water disinfection products was driven by higher demand in North America in the three-month period and North America and high-growth markets, primarily China, in the nine-month period, partially offset by softer demand in Western Europe in both periods and China in the three-month period.

Core sales in the segment’s product identification businesses increased at a mid-single digit rate during both the three and nine-month periods ended September 28, 2018 as compared to the comparable periods of 2017. The majority of core revenue growth was driven by strong demand for marking and coding equipment and related consumables across all major end-markets and in most major geographies, led by Western Europe, North America and high-growth markets. Demand for packaging and color solutions products and services decreased slightly in both the three and nine-month periods ended September 28, 2018 as compared to the comparable periods of 2017. Geographically, year-over-year core revenue growth for packaging and color solutions products and services softened in both developed and high-growth markets for the three-month period. For the nine-month period, weaker demand in the high-growth markets was slightly offset by increased demand in the developed markets.

Operating Profit Performance

Operating profit margins increased 130 basis points during the three-month period ended September 28, 2018 as compared to the comparable period of 2017.

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

- Higher 2018 core sales volumes and incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017, net of the impact of foreign currency exchange rates in the third quarter of 2018 and incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments - 160 basis points

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

- The incremental net dilutive effect in 2018 of acquired businesses - 30 basis points

Operating profit margins decreased 10 basis points during the nine-month period ended September 28, 2018 as compared to the comparable period of 2017.

Year-to-date 2018 vs. year-to-date 2017 operating profit margin comparisons were favorably impacted by:

- Higher 2018 core sales volumes, incremental year-over-year cost savings associated with the restructuring actions and continuing productivity improvement initiatives taken in 2017 and the impact of foreign currency exchange rates in the nine month period in 2018, net of incremental year-over-year costs associated with various new product development, sales, service and marketing growth investments - 40 basis points

Year-to-date 2018 vs. year-to-date 2017 operating profit margin comparisons were unfavorably impacted by:

- The incremental net dilutive effect in 2018 of acquired businesses - 50 basis points
The year-over-year increase in cost of sales during both the three and nine-month periods ended September 28, 2018 as compared to the comparable periods in 2017, is due primarily to the impact of higher year-over-year sales volumes, including sales from recently acquired businesses, partly offset by incremental year-over-year cost savings associated with the restructuring and continued productivity improvement actions taken in 2017.

The year-over-year decrease in gross profit margins during the three-month period ended September 28, 2018 as compared to the comparable period in 2017, is due primarily to the impact of foreign currency exchange rates during the third quarter of 2018, including transactional currency losses recorded, partially offset by the 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 restructuring activities and continued productivity improvement actions taken in 2017. The year-over-year increase in gross profit margins during the nine-month period ended September 28, 2018 as compared to the comparable period in 2017, is due primarily to the 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 restructuring activities and continued productivity improvement actions taken in 2017. Gross profit margin improvements were partially offset by the impact of foreign currency exchange rates during the nine-month period ended September 28, 2018 as compared to the comparable period in 2017.

**OPERATING EXPENSES**

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$4,853.1</td>
<td>$14,529.5</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>$(2,162.6)</td>
<td>$(6,378.3)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$2,690.5</td>
<td>$8,151.2</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>55.4%</td>
<td>56.1%</td>
</tr>
</tbody>
</table>

The year-over-year decrease in SG&A expenses as a percentage of sales for both the three and nine-month periods ended September 28, 2018 as compared to the comparable periods in 2017, was driven by the benefit of increased leverage of the Company’s general and administrative cost base resulting from higher 2018 sales volumes, partially offset by continued investments in sales and marketing growth initiatives. The impact of the restructuring, impairment and other related charges incurred in the second quarter of 2017 related to discontinuing a product line also contributed to the year-over-year decrease in SG&A expenses as a percentage of sales during the nine-month period ended September 28, 2018.

Year-over-year, R&D expenses (consisting principally of internal and contract engineering personnel costs) remained constant as a percentage of sales for both the three and nine-month periods ended September 28, 2018 as compared to the comparable periods in 2017. Year-over-year increases in spending on the Company’s new product development initiatives corresponded to the increase in sales.

**NONOPERATING INCOME (EXPENSE)**

As described in Note 1 and Note 8 to the accompanying Condensed Consolidated Financial Statements, 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 three and nine-month periods ended September 28, 2018 were $9 million and $25 million, respectively, compared to $8 million and $22 million for the three and nine-month periods ended September 29, 2017, respectively.

**INTEREST COSTS AND FINANCING**

For a discussion of the Company’s outstanding indebtedness, refer to Note 7 to the accompanying Consolidated Condensed Financial Statements.

Interest expense of $41 million and $124 million for the three and nine-month periods ended September 28, 2018, was higher by $1 million and $3 million, respectively, than the comparable periods of 2017, due primarily to higher average interest rates on outstanding borrowings during 2018 as compared with the average interest rates in 2017, partially offset by lower average outstanding U.S. commercial paper borrowings in 2018 compared to 2017. For the three-month period ended September 28, 2018, the impact of foreign currency exchange rates had a negligible impact on interest expense. For the nine-month period ended September 28, 2018, the impact of foreign currency exchange rates also contributed to the higher interest expense in 2018 compared to the comparable period in 2017.

**INCOME TAXES**

The following table summarizes the Company’s effective tax rate from continuing operations:

<table>
<thead>
<tr>
<th></th>
<th>Three-Month Period Ended</th>
<th>Nine-Month Period Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>17.2%</td>
<td>21.6%</td>
</tr>
<tr>
<td></td>
<td>19.0%</td>
<td>17.7%</td>
</tr>
</tbody>
</table>

The effective tax rate for 2018 includes the benefit of a lower U.S. corporate income tax rate of 21.0% from the enactment of the Tax Cuts and Jobs Act ("TCJA"), partially offset by a new minimum tax on certain non-U.S. earnings. In addition, the Company’s effective tax rate benefits from the impact of earnings outside the United States which overall are taxed at rates lower than the U.S. federal rate. The effective tax rate for the three-month period ended September 28, 2018 includes net tax benefits of $23 million ($0.03 per diluted share) related primarily to the release of valuation allowances associated with certain foreign operating losses and excess tax benefits from stock-based compensation, which in aggregate reduced the reported tax rate by 2.9%. The effective tax rate for the nine-month period ended September 28, 2018 also includes these benefits, in addition to net tax benefits of $9 million ($0.01 per diluted share) recorded in the second quarter of 2018 related to the release of reserves upon the expiration of statutes of limitations and excess tax benefits from stock-based compensation, which were partially offset by increases in estimates associated with prior period uncertain tax positions.

The Company’s effective tax rate for 2017 differed from the then-effective U.S. federal statutory rate of 35.0% due principally to the Company’s earnings outside the United States which overall are taxed at rates lower than such U.S. federal rate. The effective tax rate for the nine-month period ended September 29, 2017 includes a benefit from the release of reserves upon the expiration of statutes of limitations and audit settlements, excess tax benefits from stock-based compensation, as well as higher tax benefits from restructuring charges that are predominantly in the United States, which in aggregate decreased the reported tax rate by 3.3%.

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:

- establishes a flat corporate income tax rate of 21.0% on U.S. earnings;
- imposes a one-time tax on remitted 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 (“GILTI Tax”);
- subjects certain payments made by a U.S. company to a related foreign company to certain minimum taxes (Base Erosion Anti-Abuse Tax);
- eliminates 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.

As U.S. 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, the Company recognized an estimate of the impact of the TCJA in the year ended December 31, 2017. 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 is payable over a period of eight years. 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 2017. For a description of the impact of the TCJA for the year ended December 31, 2017 reference is made to Note 12 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report.

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. SAB No. 118 provides that where reasonable estimates can be made, the provisional accounting should be based on such estimates and when no reasonable estimate can be made, the provisional accounting may be based on the tax law in effect before the TCJA. During the three and nine-month periods ended September 28, 2018, there were no changes made to the provisional amounts recognized in 2017. The Company continues to analyze the effects of the TCJA on its Consolidated Condensed Financial Statements. Additional impacts from the enactment of the TCJA will be recorded as they are identified. As a result of the TCJA, the Company 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 2017. For a description of the impact of the TCJA for the year ended December 31, 2017 reference is made to Note 12 of the Company’s financial statements as of and for the year ended December 31, 2017 included in the Company’s 2017 Annual Report.

Additionally, the Company’s U.S. tax returns for 2017 will be filed during the fourth quarter of 2018 and any changes to the tax positions reflected in those returns compared to the estimates recorded in the Company’s earnings for the year ended December 31, 2017 will result in an adjustment of the estimated tax provision recorded as of December 31, 2017.

The final impact of the TCJA may differ from the provisional amounts that have been recognized, possibly materially, due to, among other things, changes in the Company’s interpretation of the TCJA, legislative or administrative actions to clarify the intent of the statutory language provided that differ from the Company’s current interpretation, any changes in accounting standards for income taxes or related interpretations in response to the TCJA, or any updates or changes to estimates utilized to calculate the impacts, including changes to current year earnings estimates and applicable foreign exchange rates. Additionally, the Company’s U.S. tax returns for 2017 will be filed during the fourth quarter of 2018 and any changes to the tax positions reflected in those returns compared to the estimates recorded in the Company’s earnings for the year ended December 31, 2017 will result in an adjustment of the estimated tax provision recorded as of December 31, 2017.

The Company also continues to evaluate the impact of the GILTI provisions under the TCJA which are complex and subject to continuing regulatory interpretation by the IRS. The Company is required to make an accounting policy election of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current period expense when incurred (the “period cost method”) or (2) factoring such amounts into the Company’s measurement of its deferred taxes (the “deferred method”). The Company’s accounting policy election with respect to the new GILTI Tax rules will depend, in part, on analyzing its global income to determine whether it can reasonably estimate the tax impact. While the Company has included an estimate of GILTI in its estimated effective tax rate for 2018, it has not completed its analysis and has not determined which method to elect. Adjustments related to the amount of GILTI Tax recorded in its Consolidated Condensed Financial Statements may be required based on the outcome of this election.

The Company conducts business globally, and files numerous consolidated and separate income tax returns in 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 financial statements given the geographical 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 the examinations of substantially all 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 and the United Kingdom and various other countries, states and provinces that are currently under audit for years ranging from 2004 through 2016.

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 totaling approximately DKK 1.6 billion including interest through September 28, 2018 (approximately $247 million based on the exchange rate as of September 28, 2018), imposing withholding tax relating to interest accrued in Denmark on borrowings from certain of the Company’s subsidiaries for the years 2004-2009. The Company is currently in discussions with SKAT and anticipates...
receiving an assessment for years 2010-2012 totaling approximately DKK 939 million including interest through September 28, 2018 (approximately $146 million based on the exchange rate as of September 28, 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 to 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 effective tax rate.

The Company’s effective tax rate for the nine-month period ended September 28, 2018 was 19.0%, which included discrete tax adjustments that reduced the effective tax rate by 1.3%. The Company expects its effective tax rate for the fourth quarter of 2018 to be approximately 20.0%. The Company’s effective tax rate could vary as a result of many factors, including but not limited to the following:

- The expected rate for the remainder of 2018 includes the anticipated discrete income tax benefits from excess tax deductions related to the Company’s stock compensation programs, which are reflected as a reduction in tax expense, though the actual benefits (if any) will depend on the Company’s stock price and stock option exercise patterns.
- The actual mix of earnings by jurisdiction could fluctuate from the Company’s projection.
- The tax effects of other discrete items, including accruals related to tax contingencies, the resolution of worldwide tax matters, tax audit settlements, statute of limitations expirations and changes in tax regulations.
- Any future legislative changes or potential tax reform, the impact of future regulations and guidance implementing the TCJA and any related additional tax planning efforts to address these changes.

As a result of the uncertainty in predicting these items, it is reasonably possible that the actual effective tax rate used for financial reporting purposes will change in future periods.

In the nine-month period ended September 29, 2017, the Company 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. This income tax benefit was included in earnings from discontinued operations in the accompanying Consolidated Condensed Statement of Earnings.

**COMPREHENSIVE INCOME**

For the three and nine-month periods ended September 28, 2018, comprehensive income decreased $328 million and approximately $1.1 billion, respectively, as compared to the comparable periods of 2017. These declines were primarily due to the losses from foreign currency translation adjustments in both the three and nine-month periods ended September 28, 2018 as compared to the gains from foreign currency translation adjustments realized in the comparable periods of 2017, partially offset by higher net earnings in both the three and nine-month periods ended September 28, 2018. For the three and nine-month periods ended September 28, 2018, the Company recorded a foreign currency translation loss of $162 million and $509 million, respectively, as compared to a foreign currency translation gain of $260 million and $839 million for the three and nine-month periods ended September 29, 2017, respectively.

**INFLATION**

The effect of inflation on the Company’s revenues and net earnings was not significant in the three and nine-month periods ended September 28, 2018.

**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 activities. The Company continues to generate substantial cash from operating activities and forecasts 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.
Overview of Cash Flows and Liquidity

Following is an overview of the Company’s cash flows and liquidity ($ in millions):

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Nine-Month Period Ended</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>September 28, 2018</td>
<td>September 29, 2017</td>
<td></td>
</tr>
<tr>
<td>Total operating cash flows provided by continuing operations</td>
<td>$ 2,784.4</td>
<td>$ 2,643.1</td>
<td></td>
</tr>
<tr>
<td>Cash paid for acquisitions</td>
<td>$ (2,173.3)</td>
<td>$ (112.0)</td>
<td></td>
</tr>
<tr>
<td>Payments for additions to property, plant and equipment</td>
<td>(441.3)</td>
<td>(445.8)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales of property, plant and equipment</td>
<td>1.6</td>
<td>32.3</td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>22.1</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>All other investing activities</td>
<td>(61.1)</td>
<td>(2.4)</td>
<td></td>
</tr>
<tr>
<td>Net operating cash used in investing activities</td>
<td>$(2,652.0)</td>
<td>$(527.9)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from the issuance of common stock</td>
<td>$ 77.3</td>
<td>$ 49.0</td>
<td></td>
</tr>
<tr>
<td>Payment of dividends</td>
<td>(321.2)</td>
<td>(281.0)</td>
<td></td>
</tr>
<tr>
<td>Payment for purchase of noncontrolling interests</td>
<td>—</td>
<td>(64.4)</td>
<td></td>
</tr>
<tr>
<td>Net proceeds from (repayments of) borrowings (maturities of 90 days or less)</td>
<td>882.1</td>
<td>(3,319.1)</td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings (maturities longer than 90 days)</td>
<td>—</td>
<td>1,684.0</td>
<td></td>
</tr>
<tr>
<td>Repayments of borrowings (maturities longer than 90 days)</td>
<td>(503.9)</td>
<td>(562.4)</td>
<td></td>
</tr>
<tr>
<td>All other financing activities</td>
<td>(16.6)</td>
<td>(50.7)</td>
<td></td>
</tr>
<tr>
<td>Net operating cash provided by (used in) financing activities</td>
<td>$ 117.7</td>
<td>$(2,544.6)</td>
<td></td>
</tr>
</tbody>
</table>

- Operating cash flows from continuing operations increased $141 million, or approximately 5%, during the first nine months of 2018 as compared to the first nine months of 2017, primarily due to higher earnings and slightly lower cash used for funding trade accounts receivable, inventories and accounts payable during the period compared to the prior year, partially offset by increased cash used for payments for income taxes, certain employee related benefits and accrued expenses compared to the prior year.

- On March 23, 2018, Danaher entered into the $1.0 billion 364-Day Facility which provides liquidity support for an expansion of Danaher’s U.S. and euro-denominated commercial paper programs and for general corporate purposes. Danaher used proceeds from the issuance of U.S. dollar and euro-denominated commercial paper to fund a portion of the purchase price for the acquisition of IDT in April 2018.

- The Company repaid the $500 million 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 September 28, 2018, the Company held $776 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, pension funding and other items impact reported cash flows.

Operating cash flows from continuing operations were approximately $2.8 billion for the first nine months of 2018, an increase of $141 million, or approximately 5%, as compared to the comparable period of 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 reflected an increase of $291 million in net earnings from continuing operations for the first nine months of 2018 as compared to the comparable period in 2017.

- Net earnings from continuing operations for the first nine months of 2018 reflected an increase of $57 million of depreciation and amortization expense as compared to the comparable period of 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 used $55 million in operating cash flows during the first nine months of 2018, compared to $72 million of operating cash flows used in the comparable period of 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 and accrued expenses and other liabilities used $153 million of operating cash flows during the first nine months of 2018, compared to $28 million of operating cash flows provided in the comparable period of 2017. This use of operational cash flow in the first nine months of 2018 resulted primarily from the timing of cash payments for income taxes, various employee-related liabilities, customer funding and accrued expenses during the first nine months of 2018 compared to the comparable period of 2017.

**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 from continuing operations was approximately $2.7 billion during the first nine months of 2018 compared to $528 million of cash used in the first nine months of 2017. For a discussion of the Company’s acquisitions during the first nine months of 2018 refer to “—Overview”.

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 decreased $5 million on a year-over-year basis for the first nine months of 2018 compared to 2017 due to decreased investment in construction of new facilities, partially offset by increases in investments in operating assets at newly acquired businesses such as IDT. For the full year 2018, the Company forecasts capital spending to be approximately $675 million, though actual expenditures will ultimately depend on business conditions.

During the first nine months of 2018, 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.

**Financing Activities and Indebtedness**

Cash flows relating to financing activities consist primarily of cash flows associated with the issuance and repayments of commercial paper and other debt, issuance and repurchases of common stock and payments of cash dividends to shareholders. Financing activities from continuing operations provided cash of $118 million during the first nine months of 2018 compared to approximately $2.5 billion of cash used in the comparable period of 2017. The year-over-year increase in cash provided by financing activities was due primarily to higher net proceeds from commercial paper borrowings in 2018, as the Company issued commercial paper to pay for a portion of the acquisition price of IDT in April 2018. Additionally, despite the repayment of the $500 million of 2018 U.S. Notes upon their maturity in September 2018, long-term debt repayments were lower in the first nine months of 2018 as compared to the comparable period in 2017 which contributed to the cash provided by financing activities. Both of these factors were partially offset by lower proceeds from the issuance of long-term notes in the first nine months of 2018 as compared to the comparable period of 2017. In addition, the Company paid $64 million to a noncontrolling interest holder in the first quarter of 2017 which contributed to the use of cash from financing activities in the prior period.

For a description of the Company’s outstanding debt as of September 28, 2018, the debt issued and debt repaid during the nine-month period ended September 28, 2018 and the Company’s commercial paper programs and credit facilities, refer to Note 7 to the accompanying Consolidated Condensed Financial Statements. As of September 28, 2018, the Company was in compliance with all of its debt covenants.

The Company satisfies any short-term liquidity needs that are not met through operating cash flow and available cash primarily through issuances of commercial paper under its U.S. dollar and euro-denominated commercial paper programs. Credit support

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for the commercial paper programs is generally provided by the Company’s $4.0 billion Credit Facility and $1.0 billion 364-Day Facility.

As of September 28, 2018, Danaher had the ability to incur an additional approximately $1.7 billion of indebtedness in direct borrowings under the Credit Facility, 364-Day Facility or under outstanding commercial paper facilities (based on aggregate amounts available under the Credit Facility and 364-Day Facility that were not being used to backstop outstanding commercial paper balances).

The Company has classified the €600 million of 2019 Euronotes and approximately $3.3 billion of its borrowings outstanding under the commercial paper programs as of September 28, 2018 as long-term debt in the accompanying Consolidated Condensed 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.

Stock Repurchase Program

For information regarding the Company’s stock repurchase program, please see Part II—Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds,” in this Form 10-Q.

Dividends

Aggregate cash payments for dividends during the first nine months of 2018 were $321 million. The increase over the comparable period of 2017 results from 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.

In the third quarter of 2018, the Company declared a regular quarterly dividend of $0.16 per share payable on October 26, 2018 to holders of record on September 28, 2018, reflecting a 14% increase in the per share amount of the Company’s quarterly dividend compared to the third quarter of 2017.

Cash and Cash Requirements

As of September 28, 2018, the Company held $776 million of cash and cash equivalents that were held on deposit with financial institutions or 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, $61 million was held within the United States and $715 million was held outside of the United States. The Company will continue to have cash requirements to support working capital needs, capital expenditures and acquisitions, 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 the credit facilities, 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 access 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. With respect to the Company’s commercial paper scheduled to mature during the remainder of 2018, the Company expects to repay the principal amounts when due using available cash, proceeds from the issuance of commercial paper and/or proceeds from other debt issuances.

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, 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 and investments, including acquisitions. The income taxes, if any, applicable to such earnings including basis differences in our foreign subsidiaries are not readily determinable. The Company continues to evaluate the impact of the TCJA on its election to indefinitely reinvest certain of its non-U.S. earnings. As of September 28, 2018, management believes that it has sufficient liquidity to satisfy its cash needs, including its cash needs in the United States.

During 2018, the Company’s cash contribution requirements for its U.S. and non-U.S. defined benefit pension plans are forecasted to be approximately $30 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.

CRITICAL ACCOUNTING ESTIMATES

Except as set forth below in connection with the adoption of ASC 606, there have been no changes to the Company’s critical accounting estimates described in the Annual Report on Form 10-K for the year ended December 31, 2017 that have a material impact on the Company’s Consolidated Condensed Financial Statements and the related Notes.

Revenue Recognition—The Company derives revenues from the sale of products and services. Refer to Note 1 to the accompanying Consolidated Condensed Financial Statements for a description of the Company’s revenue recognition policies.

Although most of the Company’s sales agreements contain standard terms and conditions, certain agreements contain multiple products or services or nonstandard terms and conditions. As a result, judgment is sometimes required to determine the appropriate accounting, including whether the products or services specified in these agreements should be treated as separate units of accounting for revenue recognition purposes, and, if so, how the consideration should be allocated among the distinct products or services and when to recognize revenue for each element. The Company allocates the contract’s transaction price at inception of the contract 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 Company’s estimate of standalone selling price impacts the amount and timing of revenue recognized in arrangements with multiple products or services. 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. If the Company’s judgments regarding revenue recognition prove incorrect, the Company’s reported revenues in particular periods may be adversely affected.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and qualitative disclosures about market risk appear in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Instruments and Risk Management,” in the Company’s 2017 Annual Report. There were no material changes during the quarter ended September 28, 2018 to this information reported in the Company’s 2017 Annual Report.

ITEM 4. 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.

There have been no changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Company’s most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.
ITEM 1. LEGAL PROCEEDINGS
In September 2016, the U.S. Environmental Protection Agency (“EPA”) issued a Notice of Violation to the Richmond, Illinois facility of Leica Biosystems Richmond, Inc. (“Leica Biosystems”), an indirect subsidiary of the Company, alleging that the facility violated certain provisions of the Clean Air Act and related regulations pertaining to permitting requirements, emissions limitations and the installation and use of proper controls. In July 2018, Leica Biosystems and the EPA executed an agency administrative settlement whereby all of Leica Biosystems’ alleged violations were settled for a payment of approximately $175 thousand and certain injunctive relief.

For additional information regarding legal proceedings, refer to the section titled “Legal Proceedings” in MD&A in the 2017 Consolidated Financial Statements.

ITEM 1A. RISK FACTORS
Information regarding risk factors can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Information Related to Forward-Looking Statements,” in Part I—Item 2 of this Form 10-Q and in Part I—Item 1A of Danaher’s 2017 Annual Report. There were no material changes during the quarter ended September 28, 2018 to the risk factors reported in the Company’s 2017 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS
Neither the Company nor any “affiliated purchaser” repurchased any shares of Company common stock during the nine-month period ended September 28, 2018. 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 plans) and for other corporate purposes. As of September 28, 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.

During the third quarter of 2018, there were no Liquid Yield Option Notes due 2021 converted into shares of Danaher common stock.
ITEM 6. EXHIBITS

(a) Exhibits:

3.1 Restated Certificate of Incorporation of Danaher Corporation (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 Amended and Restated By-laws of Danaher Corporation (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))

10.1 Danaher Corporation and Subsidiaries Amended and Restated Executive Deferred Incentive Program

10.2 Danaher Corporation Excess Contribution Program, a sub-plan under the 2007 Omnibus Incentive Plan, as amended and restated

10.3 Danaher Corporation Deferred Compensation Plan

11.1 Computation of per-share earnings (See Note 13, “Net Earnings Per Share from Continuing Operations”, to the Consolidated Condensed Financial Statements)

12.1 Calculation of ratio of earnings to fixed charges

31.1 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

31.2 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

32.1 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

32.2 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

101.INS XBRL Instance Document **

101.SCH XBRL Taxonomy Extension Schema Document **

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document **

101.DEF XBRL Taxonomy Extension Definition Linkbase Document **

101.LAB XBRL Taxonomy Extension Label Linkbase Document **

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document **

Pursuant to the requirements 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: October 17, 2018

By: /s/ Daniel L. Comas
Daniel L. Comas
Executive Vice President and Chief Financial Officer

Date: October 17, 2018

By: /s/ Robert S. Lutz
Robert S. Lutz
Senior Vice President and Chief Accounting Officer
DANAHER CORPORATION & SUBSIDIARIES
EXECUTIVE DEFERRED INCENTIVE PROGRAM

AMENDED AND RESTATED AS OF JANUARY 1, 2019
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 now desires to amend and restate 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.

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.
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.

1.14 **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, 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, 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 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 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: (1) 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 (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, the sum of (a) the Participant's annual base salary for the first (1st) Plan Year in the Performance Cycle,
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, 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.
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 (c) 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 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.

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(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 Deferred 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
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

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

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:

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<tr>
<th>VESTING YEARS OF PARTICIPATION</th>
<th>VESTING PERCENTAGE</th>
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<tr>
<td>1</td>
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(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.
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.

3.6 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), and 3.5(b):

(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 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, and Rollover 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 (if any), and the balance (if any) in the Participant's Rollover Account (if any) 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.

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(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.
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

(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.

4.4 **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 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, 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, 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, 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, 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 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 pre-empted 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.
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.
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 (15th) 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(j)(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.

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.
APPENDIX A

APPLICABLE PERCENTAGE

I. EFFECTIVE PRIOR TO JANUARY 1, 2004:

<table>
<thead>
<tr>
<th>Target Compensation</th>
<th>Age of Participant</th>
<th>Under 40</th>
<th>40 and Over</th>
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<tbody>
<tr>
<td>Less than $150,000</td>
<td></td>
<td>3.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Greater than or equal to $150,000</td>
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<td>5.5%</td>
<td>6.5%</td>
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II. EFFECTIVE ON AND AFTER JANUARY 1, 2004:

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<thead>
<tr>
<th>Years of Participation</th>
<th>Applicable Percentage</th>
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<tr>
<td>0-10</td>
<td>6%</td>
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<tr>
<td>11-15</td>
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<td>Greater than 15</td>
<td>10%</td>
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A-1
APPENDIX B

PRESENT VALUE FACTORS

PV Factor 1+2+3  2.6
PV Factor 1+2  1.8
PV Factor 1   .9

I. EFFECTIVE PRIOR TO JANUARY 1, 2004:

MONTHS FACTORS

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<th>Months Factor</th>
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<tbody>
<tr>
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<td>.9</td>
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<tr>
<td>11</td>
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II. Effective Prior to January 1, 2004:

MONTHS FACTORS

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<thead>
<tr>
<th>Eligibility Date</th>
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<tr>
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<tr>
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<td>March 1st</td>
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<tr>
<td>July 1st</td>
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<tr>
<td>August 1st</td>
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<td>September 1st</td>
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</tr>
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<td>October 1st</td>
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<tr>
<td>Date</td>
<td>Value</td>
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<td>------------</td>
<td>-------</td>
</tr>
<tr>
<td>November 1st</td>
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<tr>
<td>December 1st</td>
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</table>

B-1
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

EFFECTIVE JANUARY 1, 2019
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WHEREAS, Danaher Corporation sponsors the Danaher Corporation 2007 Omnibus Incentive Plan, as Amended and Restated (the “Omnibus Incentive Plan”); and

WHEREAS, 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”) is established 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. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Omnibus Incentive Plan.

NOW, THEREFORE, in order to accomplish such purpose, the Program Sponsor has adopted 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.
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 and Non-Elective Contributions are allocated. A Participant’s Employer Contribution Account shall contain a Matching Contribution Subaccount and a Non-Elective 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.

1.10 **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)
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(c) 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) that is payable to the Participant during the Payroll Period, 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.
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).
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.

3.3  Crediting of Contributions. All amounts credited to a Participant under the Program shall be credited to the Participant’s Matching Contribution Subaccount or Non-Elective 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) In the event a cash dividend is declared on Common Stock, a Participant’s Matching Contribution Subaccount and Non-Elective 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 or Non-Elective 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, 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(c) 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%).
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 31st 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 (15th) 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.

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9.7 **Governing Law.** This Program shall be construed, regulated and administered under the laws of the State of Delaware to the extent not pre-empted 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 DEFERRED COMPENSATION PLAN

EFFECTIVE JANUARY 1, 2019
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DANAHER DEFERRED COMPENSATION PLAN

WHEREAS, Danaher Corporation sponsors the Danaher Corporation & Subsidiaries Executive Deferred Incentive Program which allowed a select group of management and highly compensated employees of Danaher Corporation and its subsidiaries an opportunity to defer compensation before January 1, 2019; and

WHEREAS, as of January 1, 2019, this Danaher Deferred Compensation Plan (the “Plan”) is established to allow a select group of management and highly compensated employees of Danaher Corporation and its subsidiaries to defer salary and annual incentive compensation.

NOW, THEREFORE, in order to accomplish such purpose, the Plan Sponsor has adopted, by appropriate resolutions, this Plan effective as of January 1, 2019. It is intended that this Plan 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.
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 Account. The total amount held in a bookkeeping account under the Plan for a Participant, consisting of his or her Deferral Account(s).

1.2 Administrator. The individual or committee appointed by the Plan Sponsor to administer the Plan.

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 Bonus. With respect to a Participant for a Plan Year, the amount for the Plan 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. With respect to a Participant for a Plan Year, an amount of the Participant's Bonus for the applicable Plan Year that the Participant has elected to defer pursuant to Section 3.1.

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 Plan 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 Deferral Account. A bookkeeping account established under Section 5.1 to which a Participant’s Salary Deferral Amounts and Bonus Deferral Amounts are allocated. Each Participant’s Account shall contain one (1) Deferral Account for each Plan Year with respect to which the Participant deferred Salary Deferral Amounts or Bonus Amounts.

1.10 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 Account, as determined pursuant to Section 3.2 of the Plan.

1.11 Effective Date. January 1, 2019.

1.12 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 Plan Year, is an Eligible Employee with respect to such Plan Year. The Administrator may, in its sole discretion, designate any newly hired Employee as an Eligible Employee under the Plan, 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 Danaher Corporation & Subsidiaries Executive Deferred Incentive Program shall not be an Eligible Employee.
1.13 **Employee.** An Employee is an employee who performs services for an Employer.

1.14 **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 with the approval of the Plan Sponsor.

1.15 **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).

1.16 **ERISA.** The Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

1.17 **Participant.** An Eligible Employee or former Eligible Employee who is participating in this Plan pursuant to Article II.

1.18 **Participation Date.** With respect to an Eligible Employee, the date (if any) as of which the Eligible Employee shall initially become a Participant as determined pursuant to Section 2.1.

1.19 **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.

1.20 **Plan.** The Danaher Deferred Compensation Plan, as it is set forth herein and as it may be amended from time to time.

1.21 **Plan Sponsor.** Danaher Corporation.

1.22 **Plan Year.** The calendar year.

1.23 **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.

1.24 **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 3.1.

1.25 **Valuation Date.** The monthly or other periodic date selected by the Administrator to value Participants’ Accounts.
1.26 **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.
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 Plan) equals zero (0).
ARTICLE III

CREDITING OF ACCOUNTS

3.1 Deferral Accounts.

(a) Election to Defer. Subject to this Section 3.1:

(i) Bonus Deferral Amounts. A Participant who is an Eligible Employee may elect to have a percentage of his or her Bonus for a Plan Year deferred as a Bonus Deferral Amount for the applicable Plan Year; provided that the actual amount deferred 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 deferred as a Salary Deferral Amount. 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.

(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. A Participant may, in the Administrator’s sole discretion, elect to have a Bonus Deferral Amount deferred on his or her behalf with respect to the Participant's Bonus for the Plan Year in which the Participant's Participation Date occurs by so indicating on the enrollment form provided by the Administrator, which shall be consistent with the requirements of Treasury Regulation section 1.409A-2(a)(7).

(B) Salary Deferral Amounts. A Participant may, in the Administrator’s sole discretion, 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 provided by the Administrator, which shall be consistent with the requirements of Treasury Regulation section 1.409A-2(a)(7). 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) the Participant's Participation Date, or (II) the date that the Participant files the properly completed enrollment form with the Administrator.

(ii) Annual Opportunities to Defer.

(A) Bonus Deferral Amounts. A Participant may elect to have a Bonus Deferral Amount deferred on his or her behalf with respect to the Participant's Bonus for a Plan Year by properly completing an election form provided by the Administrator and filing the form with the Administrator in accordance with the Administrator’s procedures prior to the first (1st) day of such Plan Year.

(B) Salary Deferral Amounts. A 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 by properly completing an election form provided by the Administrator and filing the
form with the Administrator in accordance with the Administrator’s procedures prior to the first (1st) day of such 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 date as of which the last amount or the only amount, as applicable, designated to be withheld under such election shall be withheld. Notwithstanding the foregoing, a Participant’s election concerning a Bonus Deferral Amount or Salary Deferral Amounts shall terminate (i) upon the date an in-service distribution is made to the Participant of all or a part of his Account in the event that the Participant has an unforeseeable emergency pursuant to Section 5.3, or (ii) upon the date a hardship distribution is made to the Participant within the meaning of Treasury Regulation section 1.401(k)-1(d)(3). A Participant’s election concerning a Bonus Deferral Amount or Salary Deferral Amounts shall apply only with respect to Bonus Deferral Amount or Salary Deferral Amounts earned in the Plan Year designated on the enrollment form or election form provided by the Administrator and shall not apply to amounts earned in any other Plan Year.

(c) Crediting of Deferral Amounts. A Participant's Salary Deferral Amounts and Bonus Deferral Amounts with respect to a Plan Year shall be credited to the Participant's Deferral Account established for such Plan Year. Such Salary Deferral Amounts and Bonus Deferral Amounts shall be credited as soon as administratively practicable after the time such Salary Deferral Amounts and Bonus Deferral Amounts would have otherwise been paid to the Participant.

3.2 Crediting of Earnings.

(a) Elections. A Participant may elect the Earnings Crediting Rate that shall apply to all or a designated portion of the Participant’s Account from the investment options that the Administrator shall from time to time designate, in accordance with rules established by the Administrator. A Participant makes his or her initial election of the Earnings Crediting Rate(s) that shall apply to the Participant's 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 Account and/or the investment of all or a designated portion of the current balance of the Participant's 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 any portion of his or her Account deemed invested in notional shares of Common Stock and any such election of notional shares of Common Stock as an investment option shall be irrevocable and remain in effect until the Participant's Account is distributed pursuant to the terms of the 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, 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 notional shares of Common Stock as an investment option that shall apply to all or a portion of his or her 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.

(b) **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 Account of any Participant who has not made an investment option election.

(c) **Earnings Credits.** As of each Valuation Date, the Administrator shall determine the earnings credit applicable to the Account of each Participant since the prior Valuation Date.

(d) **Accounting.** The value of each Participant's Account will be adjusted as of each Valuation Date to reflect contributions, earnings, interest, gains, losses, distributions, and expenses experienced since the prior Valuation Date.
ARTICLE IV

VESTING OF ACCOUNTS

4.1 **Vesting.** A Participant's interest in his or her Account will be nonforfeitable.
ARTICLE V

DISTRIBUTION OF BENEFITS

5.1 Establishment of Accounts.

A Deferral Account shall be established for a Participant for each Plan Year with respect to which the Participant completes an enrollment form or election form in accordance with Section 3.1. At such time, the Participant shall designate the time and form of payment of such Deferral Account from among the following available options:

(a) **Timing.** Subject to Section 5.1(d) below, the Participant shall designate the Deferral Account to be paid or commence payment upon one of the following payment events:

   (i) Upon the Participant’s Employment Termination Date, with the payment commencing on the first day of the month following such date below as elected by the Participant:

      (A) the Participant’s Employment Termination Date;

      (B) the last day of the six (6) month period commencing on the Participant’s Employment Termination Date;

      (C) the last day of the twelve (12) month period commencing on the Participant’s Employment Termination Date; or

      (D) the last day of the twenty-four (24) month period commencing on the Participant’s Employment Termination Date.

   (ii) Upon a fixed date not less than three (3) years following the year the Deferral Account is established.

Notwithstanding the foregoing, if the Participant designates his or her Deferral Account to be paid or commence payment upon a fixed date, and his or her Employment Termination Date occurs prior to such fixed date, the Deferral Account shall be paid upon the payment event designated by the Participant pursuant to subsection (i) above or, if the Participant has not made such a designation, upon the first day of the month following the Participant’s Employment Termination Date.

If the Administrator determines that the Participant has not properly designated a time of payment for a Deferral Account in accordance with the terms of this Section 5.1 or the procedures established by the Administrator, such Participant shall be deemed to have designated the Deferral Account to be payable upon the first day of the month following the Participant’s Employment Termination Date.

(b) **Form.** With respect to each payment event described in Section 5.1(a), the Participant may designate the Deferral Account to be paid upon such payment event as either:

   (i) A lump sum; or

   (ii) In annual installments over no more than ten (10) years.
If the Administrator determines that the Participant has not properly designated a form of payment for a Deferral Account in accordance with the terms of this Section 5.1 or the procedures established by the Administrator, such Participant shall be deemed to have designated the Deferral Account to be payable in a lump sum.

If a Deferral Account is to be distributed in installments, the first installment shall be made on the applicable date described in Section 5.1(a) (including any delay in payment pursuant to Section 5.1(d), if applicable), and each subsequent installment thereafter shall be made on the anniversary of the first installment until all installment payments of the amount have been paid to the Participant. The amount of each installment payment shall equal the quotient of (A) the total remaining balance in the Deferral Account as of the Valuation Date immediately prior to the date on which such installment payment is scheduled to be paid, divided by (B) the number of installment payments remaining in the applicable period of annual installments. The entitlement to a series of installment payments under this Plan shall be treated as the entitlement to a single payment, and each such installment payment shall not be considered a separate payment hereunder.

(c) **Medium.** Any portion of a Participant’s Deferral Account that is deemed invested in shares of Common Stock shall be paid in shares of Common Stock. Any portion of a Participant’s Deferral Account that is not deemed invested in shares of Common Stock shall be paid in cash.

(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. Installment payments that would have commenced during the period of delay will commence as of the next monthly payment date following the period of delay.

For purposes of the Plan, “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 31st 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 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) with respect to a Bonus Deferral Amount or Salary Deferral Amounts.

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5.4 **Subsequent Changes in Time of Payment and Form of Distribution.** A Participant may elect to delay a payment of a Deferral Account or to change the form of distribution of a Deferral Account provided that the following conditions are met:

- **(a)** Any election under this Section 5.4 shall not take effect until a date that is at least twelve (12) months after the date on which the election is made.

- **(b)** The payment with respect to which an election under this Section 5.4 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.

- **(c)** Any election under this Section 5.4 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.

A Participant’s election under this Section 5.4 shall only apply to the Deferral Account(s) that are specifically identified by the Participant in the election. The election will apply to all payment events elected for the applicable Deferral Account(s), unless the election specifies otherwise.

5.5 **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 Plan 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 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 (15th) day of the third month following the Participant's Employment Termination Date.

- **(b)** Where the Plan 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 Plan Sponsor reasonably anticipates that the making of such payment will not cause such violation.

5.6 **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 Plan shall apply for such benefits in writing if and as required by the Administrator, in his or her 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 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.

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 Plan 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 Plan 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.
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.

6.5 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, 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. Subject to the terms of any applicable contract or agreement, any interpretation or application of this Plan 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.

6.6 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 amount, and in taking any other actions
required thereby under this Plan.

6.7 Correction of Prior Incorrect Allocations. Notwithstanding any other provisions of this Plan, in the event that an
adjustment to a Deferral 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.

6.8 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 6.8 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.

6.9 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 VII

STATUS OF PLAN

7.1 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. 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.

7.2 Shares to be Issued. 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.

Subject to any required action by the Plan 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 Plan 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 Plan to the number and kind of shares of Common Stock credited to each Participant’s Account under the Plan, 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 Plan.

Any issue by the Plan 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 shares of Common Stock credited to each Participant’s Account under the Plan, or the Common Stock Price, except as this Section 7.2 specifically provides. The crediting of a share of Common Stock under the Plan will not affect in any way the right or power of the Plan 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.
ARTICLE VIII

PLAN AMENDMENT OR TERMINATION

8.1 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 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 Plan or is consented to by the affected Participant.

8.2 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, 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. Notwithstanding the foregoing, the termination of the Plan shall not accelerate the time and form of payment of any amount except when the Plan Sponsor elects to terminate the Plan in accordance with one of the following:

(a) 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 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 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 Plan Sponsor elects to terminate the Plan 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 Plan.

(c) 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.
ARTICLE IX

MISCELLANEOUS

9.1 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.

9.2 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.

9.3 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. 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.

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 Plan Sponsor or any Employer except as and to the extent otherwise specifically provided in any such plan.

9.5 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.

9.6 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.

9.7 Governing Law. This Plan shall be construed, regulated and administered under the laws of the State of Delaware to the extent not pre-empted by ERISA or any other federal law.
9.8  **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.

9.9  **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.
## DANAHER CORPORATION

### STATEMENT REGARDING COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

($ in millions, except ratio data)

<table>
<thead>
<tr>
<th>Nine-Month Period Ended</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed charges:</strong></td>
<td></td>
</tr>
<tr>
<td>Gross interest expense</td>
<td>$123.6</td>
</tr>
<tr>
<td>Interest element of rental expense</td>
<td>6.9</td>
</tr>
<tr>
<td>Interest on unrecognized tax benefits</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total fixed charges</strong></td>
<td>$130.5</td>
</tr>
</tbody>
</table>

| **Earnings available for fixed charges:** |
| Earnings from continuing operations (excluding earnings from equity investees) before income taxes plus distributed income of equity investees | $2,349.5 | $2,938.8 | $2,611.3 | $2,039.4 | $2,086.2 | $2,249.4 |
| Add fixed charges | 130.5 | 172.5 | 214.1 | 176.8 | 132.0 | 153.9 |
| Interest on unrecognized tax benefits | — | — | — | — | — | — |
| **Total earnings available for fixed charges** | $2,480.0 | $3,111.3 | $2,825.4 | $2,216.2 | $2,218.2 | $2,403.3 |

| **Ratio of earnings to fixed charges** | 19.0 | 18.0 | 13.2 | 12.5 | 16.8 | 15.6 |

**NOTE:** These ratios include Danaher Corporation and its consolidated subsidiaries. The ratio of earnings to fixed charges was computed by dividing earnings by fixed charges for the periods indicated, where “earnings” consist of (1) earnings from continuing operations (excluding earnings from equity investees) before income taxes plus distributed income of equity investees; plus (2) fixed charges, and “fixed charges” consist of (A) interest, whether expensed or capitalized, on all indebtedness, (B) amortization of premiums, discounts and capitalized expenses related to indebtedness, and (C) an interest component representing the estimated portion of rental expense that management believes is attributable to interest. Interest on unrecognized tax benefits is included in the tax provision in the Company’s Consolidated Statements of Earnings and is excluded from the computation of fixed charges.
I, Thomas P. Joyce, Jr., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: October 17, 2018
By: /s/ Thomas P. Joyce, Jr.
Thomas P. Joyce, Jr.
President and Chief Executive Officer
Certification

I, Daniel L. Comas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: October 17, 2018

By: /s/ Daniel L. Comas

Daniel L. Comas
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 Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 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 Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date: October 17, 2018
By: /s/ Thomas P. Joyce, Jr.

Thomas P. Joyce, Jr.
President and Chief Executive Officer

This certification accompanies the Quarterly Report on Form 10-Q 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, Daniel L. Comas, 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 Quarterly Report on Form 10-Q for the fiscal quarter ended September 28, 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 Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Danaher Corporation.

Date: October 17, 2018

By: /s/ Daniel L. Comas

Daniel L. Comas
Executive Vice President and Chief Financial Officer

This certification accompanies the Quarterly Report on Form 10-Q 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.