
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

**May 31, 2016
Date of Report (Date of Earliest Event Reported)**

Fortive Corporation
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
Of Incorporation)

001-37654
(Commission
File Number)

47-5654583
(I.R.S. Employer
Identification No.)

**6920 Seaway Blvd
Everett, WA 98203**
(Address of principal executive offices)

Registrant's telephone number, including area code: (425) 446 - 5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On June 1, 2016 the Board of Directors (the “Board”) of Fortive Corporation (“Fortive”) adopted a form of director and officer indemnification agreement (the “D&O Indemnification Agreement”). Fortive intends to enter into a D&O Indemnification Agreement with each of Fortive’s current and future executive officers and directors. Pursuant to the D&O Indemnification Agreement, Fortive will indemnify the signatory to the full extent authorized or permitted by law to the extent such person is made, or threatened to be made, a party to any action or proceeding by reason of his or her service as a director or officer of Fortive, subject to certain exceptions, and to pay expenses in advance of the final disposition of any such indemnifiable proceeding. The foregoing description of the D&O Indemnification Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the D&O Indemnification Agreement, incorporated by reference as Exhibit 10.11 hereto and incorporated by reference herein in this Item 1.01 in its entirety.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Director

In connection with the completion of the separation of Fortive Corporation from Danaher Corporation (“Danaher”) and the distribution to Danaher’s stockholders of all of the shares of Fortive common stock held by Danaher (other than fractional shares, which will be aggregated and sold into the public market and the proceeds distributed to Danaher stockholders) (the “Distribution”), which is expected to occur on July 2, 2016 (the “Distribution Date”), Daniel L. Comas submitted his resignation from the Board, effective as of immediately prior to the Distribution Date, and such resignation was accepted by the Board on June 1, 2016.

Appointment of Directors

On June 1, 2016, the Board authorized the expansion of its size from one director to two directors and appointed Israel Ruiz to the Board and Fortive’s Audit Committee, with such expansion to be effective as of, and the term of such directorship commencing, immediately prior to the time “when-issued” trading of Fortive common stock will begin on the New York Stock Exchange (“NYSE”) in accordance with NYSE rules.

In addition, on June 1, 2016, the Board further authorized the expansion of its size to seven directors and appointed Feroz Dewan, James A. Lico, Kate D. Mitchell, Mitchell P. Rales, Stephen M. Rales and Alan G. Spoon, with such expansion to be effective as of, and the terms of such directorships commencing, immediately prior to the Distribution Date. Effective as of his appointment to the Board, Alan G. Spoon was appointed to serve as Chairman of the Board.

Biographical information for each member of the Board can be found under the section entitled “Management” in Fortive’s Information Statement, filed as Exhibit 99.1 (the “Information Statement”) to Fortive’s Registration Statement on Form 10, initially filed with the Securities and Exchange Commission (“SEC”) on December 3, 2015, as amended (File No. 001-37654) (the “Registration Statement”), and is incorporated by reference into this Item 5.02.

In connection with the appointments described above, the Board will be constituted into three classes, as follows:

- Class I: Kate D. Mitchell and Israel Ruiz will serve in the first class of directors of the Board whose terms expire at the first annual meeting of Fortive’s stockholders following the Distribution;
- Class II: Feroz Dewan and James A. Lico will serve in the second class of directors of the Board whose terms expire at the second annual meeting of the Fortive’s stockholders following the Distribution; and
- Class III: Mitchell P. Rales, Steven M. Rales and Alan G. Spoon will serve in the third class of directors of the Board whose terms expire at the third annual meeting of Fortive’s stockholders following the Distribution.

Also effective as of the Distribution Date:

- Ms. Mitchell and Mr. Dewan were appointed as members of the Audit Committee of the Board, and Mr. Ruiz was appointed the Chairman of the Audit Committee of the Board;

- Mr. Ruiz and Mr. Spoon were appointed as members of the Nominating and Governance Committee of the Board. Mr. Ruiz was appointed the Chairman of the Nominating and Governance Committee; and
- Ms. Mitchell and Mr. Dewan were appointed as members of the Compensation Committee of the Board. Ms. Mitchell was appointed the Chairman of the Compensation Committee.

Each of the non-employee directors of Fortive will receive compensation for their service as a director or committee member, including any additional compensation for services as chairperson of the Board or a committee, in accordance with plans and programs more fully described in the Information Statement under the heading “Director Compensation,” which is incorporated by reference into this Item 5.02.

There are no arrangements or understandings between any of the individuals listed above and any other person pursuant to which such individuals were selected as directors.

Steven Rales and Mitchell Rales collectively own more than 10% of the equity of Colfax Corporation, a publicly traded manufacturing and engineering company that provides gas- and fluid-handling and fabrication technology products and services. Certain entities that will become subsidiaries of Fortive in connection with the Distribution sell products to, or purchase products from, Colfax from time to time in the ordinary course of business and on an arms'-length basis. Danaher reported in its proxy statement on Schedule 14A with respect to its 2016 annual meeting that in 2015, Danaher's subsidiaries, including such entities that will become subsidiaries of Fortive in connection with the Distribution, sold approximately \$480,000 of products to, and purchased approximately \$40,000 of products from, Colfax. Fortive intends to sell products to and purchase products from Colfax in the future in the ordinary course of their businesses and on an arms'-length basis. There are no other transactions involving any of the individuals listed above that would be required to be reported under Item 404(a) of Regulation S-K.

Appointment of Executive Officers

James A. Lico is currently serving as Fortive's President and Chief Executive Officer, and will continue to serve in such capacity as of and after the Distribution.

In connection with the Distribution, the Board, on June 1, 2016, designated the following individuals as executive officers of Fortive as set forth in the table below, with their designation effective as of the Distribution Date:

| <u>Name</u> | <u>Position</u> |
|-----------------------|--|
| James A. Lico | President and Chief Executive Officer |
| Stacey A. Walker | Senior Vice President, Human Resources |
| Charles E. McLaughlin | Senior Vice President, Chief Financial Officer and Treasurer |
| Martin Gafinowitz | Senior Vice President |
| Patrick J. Byrne | Senior Vice President |
| Patrick K. Murphy | Senior Vice President |
| William W. Pringle | Senior Vice President |
| Jonathan L. Schwarz | Vice President, Corporate Development |
| Raj Ratnakar | Vice President, Strategic Development |
| Emily A. Weaver | Vice President, Chief Accounting Officer |
| Peter C. Underwood | Senior Vice President, General Counsel and Secretary |

Biographical information on each of those individuals can be found in the Information Statement under the section entitled “Management—Executive Officers Following the Distribution,” which is incorporated by reference into this Item 5.02.

Compensation Plans

2016 Stock Incentive Plan

On June 1, 2016, the Board adopted the Fortive Corporation 2016 Stock Incentive Plan (the “2016 Plan”). The 2016 Plan will become effective upon consummation of the Distribution. The purpose of the 2016 Plan is to assist in the recruitment and retention of key employees, directors and consultants and to motivate them to contribute to the growth and profitability of Fortive. The 2016 Plan provides for the issuance of 23,000,000 shares of Fortive common stock, including the number of shares of Fortive

common stock issuable in connection with the equitable adjustment of awards previously granted by Danaher. A description of the material terms of the 2016 Plan can be found in the Information Statement under the section entitled “Employee Benefit Plans—Fortive 2016 Stock Incentive Plan,” which is incorporated by reference to this Item 5.02. The description is qualified in its entirety by reference to the 2016 Plan, which is included as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference to this Item 5.02.

On June 1, 2016, the Board adopted the forms of award agreements under the 2016 Plan, incorporated by reference as Exhibits 10.2-10.7 hereto and incorporated by reference to this Item 5.02.

2016 Executive Incentive Compensation Plan

On June 1, 2016, the Board adopted the Fortive Corporation 2016 Executive Incentive Compensation Plan (the “Executive Plan”). The Executive Plan will become effective upon consummation of the Distribution. The purpose of the Executive Plan is to motivate, reward and retain executive officers of Fortive and its subsidiaries and to provide such executive officers with performance-based compensation in accordance with Section 162(m) of the Internal Revenue Code of 1986, as amended. A description of the material terms of the Executive Plan can be found in the Information Statement under the section entitled “Employee Benefit Plans—Fortive 2016 Executive Incentive Compensation Plan,” which is incorporated by reference to this Item 5.02. The description is qualified in its entirety by reference to the 2016 Plan, which is included as Exhibit 10.8 to this Current Report on Form 8-K and incorporated by reference to this Item 5.02.

Senior Leader Severance Pay Plan

On June 1, 2016, the Board adopted the Fortive Corporation Senior Leader Severance Pay Plan (the “Severance Plan”). The Severance Plan will become effective upon consummation of the Distribution. The Severance Plan generally provides that upon a termination without “cause” (as defined in the Severance Plan) and subject to the execution and nonrevocation of a release agreement, the executive will receive a severance benefit equal to a minimum of three months of annual base salary plus an additional month for each year of service, not to exceed twelve months in the aggregate, paid out over the applicable severance period according to the normal payroll cycle, as well as the opportunity to continue coverage under specified welfare benefit plans of Fortive for the duration of the severance period at the same cost as an active employee in a position similar to that held by the executive at termination. The forgoing description is qualified in its entirety by reference to the Severance Plan, which is included as Exhibit 10.9 to this Current Report on Form 8-K and incorporated by reference to this Item 5.02.

Executive Deferred Incentive Program

The Fortive Executive Deferred Incentive Program (“EDIP”) became effective as of May 31, 2016. EDIP is a non-qualified deferred compensation program for selected management associates of Fortive. The EDIP provides that each participant may defer a portion of his or her annual base salary and non-equity incentive compensation until a later date. This deferred compensation is an unsecured obligation of Fortive. A description of the material terms of the EDIP can be found in the Information Statement under the section entitled “Employee Benefit Plans—Executive Deferred Incentive Program,” which is incorporated by reference to this Item 5.02. The description is qualified in its entirety by reference to EDIP, which is included as Exhibit 10.10 to this Current Report on Form 8-K and incorporated by reference to this Item 5.02.

The information included in Item 1.01 of this Current Report on Form 8-K relating to the D&O Indemnification Agreement is incorporated by reference in this Item 5.02.

Item 8.01. Other Events

On June 1, 2016, the Board of Directors of Danaher formally approved the distribution ratio, record date and Distribution Date for the Distribution. The distribution of Fortive common stock in the Distribution will be made to Danaher’s stockholders of record as of the close of business on June 15, 2016 (the “Record Date”) and is expected to occur on the Distribution Date. In the distribution, each Danaher stockholder as of the Record Date will receive one share of Fortive’s common stock for every two shares of Danaher common stock held as of the Record Date. As noted above, Danaher stockholders will receive cash in lieu of fractional shares of Fortive common stock.

The Distribution remains subject to the satisfaction or waiver of certain customary conditions. Fortive currently expects that all conditions to the Distribution will be satisfied on or prior to the Distribution Date.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit Number</u> | <u>Exhibit Description</u> |
|-----------------------|---|
| 10.1 | Fortive Corporation 2016 Stock Incentive Plan |
| 10.2 | Form of Fortive Corporation Performance Stock Unit Agreement (incorporated by reference to Exhibit 10.14 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.3 | Form of Fortive Corporation Non-Employee Directors Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.12 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.4 | Form of Fortive Corporation Restricted Stock Grant Agreement (incorporated by reference to Exhibit 10.13 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.5 | Form of Fortive Corporation Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.11 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.6 | Form of Fortive Corporation Non-Employee Directors Stock Option Agreement (incorporated by reference to Amendment No. 2 to Exhibit 10.15 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.7 | Form of Fortive Corporation Stock Option Agreement (incorporated by reference to Exhibit 10.16 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |
| 10.8 | Fortive Corporation 2016 Executive Incentive Compensation Plan |
| 10.9 | Fortive Corporation Senior Leader Severance Pay Plan |
| 10.10 | Fortive Executive Deferred Incentive Program |
| 10.11 | Form of D&O Indemnification Agreement (incorporated by reference to Exhibit 10.10 to Amendment No. 2 to Fortive Corporation's Registration Statement on Form 10, filed on April 7, 2016) |

SIGNATURES

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 hereunto duly authorized.

FORTIVE CORPORATION

By: /s/ Daniel B. Kim
Name: Daniel B. Kim
Title: Associate General Counsel and Assistant Secretary

Date: June 1, 2016

EXHIBIT INDEX

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FORTIVE CORPORATION
2016 STOCK INCENTIVE PLAN

1. *Purpose of the Plan.* Fortive Corporation, a Delaware corporation, wishes to recruit and retain key Employees, Directors and Consultants and to motivate them to contribute to the growth and profitability of the Company. To further these objectives, the Company established the Fortive Corporation 2016 Stock Incentive Plan. Under the Plan, the Company may make grants of Options, Stock Appreciation Rights, Restricted Stock Grants, Restricted Stock Units, Other Stock-Based Awards and Conversion Awards. The Company may also make direct grants of Common Stock in the form of Restricted Stock Grants to Participants as a bonus or other incentive or grant such stock in lieu of Company obligations to pay cash under other plans or compensatory arrangements, including any deferred compensation plans.
2. *Definitions.* As used herein, the following definitions shall apply:
 - “Administrator” means the Compensation Committee of the Board, unless the Board specifies another committee or the Board elects to act in such capacity.
 - “Applicable Period” with respect to any Performance Period for an Award means a period beginning on or before the first day of the Performance Period and ending no later than the earlier of (i) the 90th day of the Performance Period or (ii) the date on which 25% of the Performance Period has been completed.
 - “Award” means an award of Options, Stock Appreciation Rights, Restricted Stock Grants, Restricted Stock Units, Other Stock-Based Awards or Conversion Awards (each as defined below).
 - “Board” means the Board of Directors of the Company.
 - “Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time and the regulations issued with respect thereof.
 - “Committee” means the Compensation Committee of the Board.
 - “Common Stock” means the common stock of the Company.
 - “Company” means Fortive Corporation, a Delaware corporation.
 - “Consultant” means any person engaged as a consultant or advisor of the Company or an Eligible Subsidiary for whom a Form S-8 Registration Statement is available for the issuance of securities.
 - “Covered Employee” has the meaning ascribed to the term “covered employee” set forth in Code Section 162(m).
 - “Danaher” shall mean Danaher Corporation, a corporation organized under the laws of the State of Delaware.

“Date of Grant” means the date as of which the Administrator grants an Award to a person.

“Disability” means a Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than twelve months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant’s employer.

“Early Retirement” means an employee voluntarily ceases to be an Employee and the Administrator determines (either initially or subsequent to the grant of the relevant Award) that the cessation constitutes Retirement for purposes of this Plan. In deciding whether a termination of employment is an Early Retirement, the Administrator need not consider the definition under any other Company benefit plan.

“Eligible Director” (or “Director”) means a non-employee director of the Company or one of its Eligible Subsidiaries.

“Eligible Subsidiary” means each of the Company’s Subsidiaries, except as the Administrator otherwise specifies.

“Employee” means any person employed as an employee of the Company or an Eligible Subsidiary.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“Exercise Price” means, in the case of an Option, the value of the consideration that an Optionee must provide in exchange for one share of Common Stock. In the case of a SAR, “Exercise Price,” means an amount which is subtracted from the Fair Market Value in determining the amount payable upon exercise of such SAR.

“Fair Market Value” means, as of any date, the fair market value of a share of Common Stock for purposes of the Plan which will be determined as follows:

- (i) If the Common Stock is traded on the New York Stock Exchange or other national securities exchange, 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; or
- (ii) If the Common Stock is not traded on the New York Stock Exchange or other national securities exchange, the Fair Market Value thereof shall be determined in good faith by the Administrator and in compliance with Code Section 409A.

“Full Value Award” means any Award settled in shares of Common Stock, other than (i) an Option, (ii) a Stock Appreciation Right, (iii) an Other Stock-Based Award under which the Company will receive monetary consideration equal to the Fair Market Value on the date of grant of the shares subject to such Award, or (iv) an Other Stock-Based Award based solely on appreciation in the Fair Market Value of the Common Stock.

“Gross Misconduct” means the Participant has:

- (i) Committed fraud, misappropriation, embezzlement, willful misconduct or gross negligence with respect to the Company or any Subsidiary thereof, or any other action in willful disregard of the interests of the Company or any Subsidiary thereof;
- (ii) Been convicted of, or pled guilty or no contest to, (i) a felony, (ii) any misdemeanor (other than a traffic violation) with respect to his/her employment, or (iii) any other crime or activity that would impair his/her ability to perform his/her duties or impair the business reputation of the Company or any Subsidiary;
- (iii) Refused or willfully failed to adequately perform any duties assigned to him/her; or
- (iv) Refused or willfully failed to comply with standards, policies or procedures of the Company or any Subsidiary thereof, including without limitation the Company’s Standards of Conduct as amended from time to time.

“Incentive Stock Option” or “ISO” means a stock option intended to qualify as an incentive stock option within the meaning of Code Section 422.

“Normal Retirement” means an employee voluntarily ceases to be an Employee at or after reaching age sixty-five (65).

“Option” means a stock option granted pursuant to Section 6 of the Plan that is not an ISO, entitling the Optionee to purchase Shares at a specified price.

“Optionee” means an Employee, Consultant, or Director who has been granted an Option under this Plan or, where appropriate, a person authorized to exercise an Option in place of the intended original Optionee.

“Other Stock-Based Awards” are Awards (other than Options, SARs, RSUs and Restricted Stock Grants) granted under Section 10 of the Plan that are denominated in, valued in whole or in part by reference to, or otherwise based on or related to, Common Stock.

“Participant” means Optionees and Recipients, collectively. The term “Participant” also includes, where appropriate, a person authorized to exercise an Option or hold or receive another Award in place of the intended original Optionee or Recipient.

“Performance Objectives” means one or more objective, measurable performance factors as determined by the Committee (as described in Section 4(b) of the Plan) with respect to each Performance Period based upon one or more of the factors set forth in Section 15 of the Plan.

“Performance Period” means a period for which Performance Objectives are set and during which performance is to be measured to determine whether a Participant is entitled to payment in respect of an Award under the Plan. A Performance Period may coincide with one or more complete or partial calendar or fiscal years of the Company. Unless otherwise designated by the Committee, the Performance Period will be based on the calendar year.

“Plan” means this 2016 Stock Incentive Plan, as amended from time to time.

“Recipient” means an Employee, Consultant, or Director who has been granted an Award other than an Option under this Plan or, where appropriate, a person authorized to hold or receive such an Award in place of the intended original Recipient.

“Restricted Stock Grant” means a direct grant of Common Stock, as awarded under Section 8 of the Plan.

“Restricted Stock Unit” or “RSU” means a bookkeeping entry representing an unfunded right to receive (if conditions are met) one share of Common Stock, as awarded under Section 9 of the Plan.

“Retirement” means both Early Retirement and Normal Retirement, as defined herein.

“Section 16 Persons” means those officers, directors or other persons who are subject to Section 16 of the Exchange Act.

“Securities Act” means the U.S. Securities Act of 1933, as amended.

“Stock Appreciation Right” or “SAR” means any right granted under Section 7 of the Plan.

“Subsidiary” means any corporation, limited liability company, partnership or other entity (other than the Company) in an unbroken chain beginning with the Company if, at the time an Award is granted to a Participant under the Plan, each of such entities (other than the last entity in the unbroken chain) owns stock or other equity possessing twenty percent (20%) or more of the total combined voting power of all classes of stock or equity in one of the other entities in such chain.

3. *Eligibility.* All Employees, Consultants, and Directors are eligible for Awards under this Plan. Eligible Employees, Consultants, and Directors become Optionees or Recipients when the Administrator grants them, respectively, an Option or one of the other Awards under this Plan.

4. *Administration of the Plan.*

- (a) *The Administrator.* The Administrator of the Plan is the Compensation Committee of the Board, unless the Board specifies another committee or the Board elects to act in such capacity. The Administrator is responsible for the general operation and administration of the Plan and for carrying out its provisions and has full discretion in interpreting and administering the provisions of the Plan. Subject to the express provisions of the Plan, the Administrator may exercise such powers and authority of the Board as the Administrator may find necessary or appropriate to carry out its functions. The Administrator may delegate its functions to Employees (other than the power to grant awards to Eligible Directors, Section 16 Persons or Covered Employees), to the extent permitted under applicable Delaware corporate law.
- (b) *Code Section 162(m) and Rule 16b-3 Compliance.* The Administrator may, but is not required to, grant Awards that are intended to qualify as performance based compensation exempt from the deductibility limitations of Code Section 162(m). However, grants of Awards intended to qualify as performance based compensation under Code Section 162(m) shall be made and certified only by the Committee (or a subcommittee of the Committee) consisting solely of two or more “outside directors” (as such term is defined under Code Section 162(m)). Awards to Section 16 Persons shall be made only by a Committee (or a subcommittee of the Committee) consisting solely of two or more non-employee Directors in accordance with Rule 16b-3.
- (c) *Powers of the Administrator.* The Administrator’s powers will include, but not be limited to, the power to: construe and interpret the terms of the Plan and Awards granted pursuant to the Plan (including the power to remedy any ambiguity, inconsistency, or omission); amend, waive, or extend any provision or limitation of any Award (except as limited by the terms of the Plan); in order to fulfill the purposes of the Plan and without amending the Plan, vary the terms of or modify Awards to Participants who are foreign nationals or employed outside of the United States in order to recognize differences in local law, tax policies or customs; and adopt such procedures as are necessary or appropriate to carry out the foregoing.
- (d) *Granting of Awards.* Subject to the terms of the Plan, the Administrator will, in its sole discretion, determine the Optionees and the Recipients of other Awards and will determine either initially or subsequent to the grant of the relevant Award:
 - (i) the terms of such Awards;
 - (ii) the schedule for exercisability and nonforfeitability, including any requirements that the Participant or the Company satisfy performance criteria or Performance Objectives, and the acceleration of the exercisability or nonforfeitability of the Awards (for the avoidance of doubt, the Administrator shall have discretion to accelerate the vesting of all or a portion of any performance-based vesting conditions or Performance Objectives);

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- (iii) the time and conditions for expiration of the Awards; and
 - (iv) the form of payment due upon exercise or grant of Awards.

Notwithstanding anything to the contrary in this Plan, the Administrator may in its sole discretion reduce or eliminate a Participant's unvested Award or Awards if he or she changes classification from a full-time Employee to a part-time Employee.

- (e) *Substitutions.* The Administrator may also grant Awards in conversion or replacement of or substitution for options or other equity awards or interests held by individuals who become Employees of the Company or of an Eligible Subsidiary as a result of the Company's acquiring or merging with the individual's employer. If necessary to conform the Awards to the awards or interests for which they are substitutes, the Administrator may grant substitute Awards under terms and conditions that vary from those the Plan otherwise requires. Notwithstanding anything in the foregoing to the contrary, any Award to any Participant who is a U.S. taxpayer will be adjusted appropriately pursuant to Code Section 409A.
 - (f) *Effect of Administrator's Decision.* The Administrator's determinations under the Plan need not be uniform and need not consider whether actual or potential Participants are similarly situated. All decisions, determinations and interpretations of the Administrator shall be final and binding on all holders of any Award.
 - (g) *Minimum Vesting Schedule.* Notwithstanding anything to the contrary in this Plan, each Award granted under this Plan shall be subject to a minimum vesting schedule or performance period, as applicable, of not less than one (1) year; provided, however, that up to five percent (5%) of the shares authorized for grant under this Plan may be issued without regard to the foregoing minimum vesting period; and provided, further, that the Administrator may waive the restrictions set forth in this sentence in its sole discretion (i) in the event of death, Disability, Retirement or a Substantial Corporate Change, (ii) with respect to Awards made to Directors and newly hired individuals and (iii) for Awards granted in settlement of an obligation to pay cash under the Company's compensatory plans and deferred compensation arrangements.
5. *Stock Subject to the Plan.*
- (a) *Share Limits; Shares Available.* Except as adjusted below in the event of a Substantial Corporate Change (as defined in Section 17(a) of the Plan) or as provided under Section 16, the aggregate number of shares of Common Stock that may be issued under the Awards (including Conversion Awards) may not exceed twenty-three million (23,000,000) shares. The Common Stock may come from treasury shares, authorized but unissued shares, or previously issued shares that the Company reacquires, including shares it purchases on the open market. If any

Award (including any Conversion Award) expires, is canceled, or terminates for any other reason, the shares of Common Stock available under that Award will again be available for the granting of new Awards. Any such returning shares of Common Stock shall be credited to the applicable sub-limit set forth above on the same basis as the original Award was debited. Any shares of Common Stock surrendered for the payment of the Exercise Price under Options or SARs or for withholding taxes, and shares of Common Stock repurchased in the open market with the proceeds of an Option exercise, may not again be made available for issuance under the Plan. Shares of Common Stock issued to convert, replace or adjust outstanding Options or other equity-compensation awards in connection with a merger or acquisition, as permitted by NYSE Listed Company Manual Section 303A.08 or any successor provision, shall not reduce the number of shares available for issuance under the Plan.

- (b) *Code Section 162(m) Limitations on Awards.* Unless otherwise determined by the Committee, the following limits shall apply to the grant of any Award (other than with regard to Conversion Awards) to any individual who is likely to be a Covered Employee if, at the time of grant, the Company is a “publicly held corporation” within the meaning of Code Section 162(m):
- (i) *Options and SARs.* Subject to adjustment as provided in Section 16, the aggregate number of shares of Common Stock subject to Options or Stock Appreciation Rights that may be granted under this Plan during any one calendar year to any one individual who is likely to be a Covered Employee shall not exceed one million, five hundred thousand (1,500,000).
 - (ii) *Other Awards.* Subject to adjustment as provided in Section 16, the aggregate number of shares of Common Stock subject to any other type of Award intended to qualify as performance-based under Code Section 162(m) that may be granted under this Plan during any one calendar year to any one individual who is likely to be a Covered Employee shall not exceed one million, five hundred thousand (1,500,000).
 - (iii) To the extent required by Code Section 162(m), if any Award that is intended to qualify as performance-based under Code Section 162(m) is canceled, the canceled Award shall continue to count against the maximum number of shares of Common Stock, or the value thereof (as determined by the Committee in its sole discretion), if applicable, in applying the foregoing limitation in this Section 5(b).
- (c) *Director Share Limits.* Subject to adjustment as provided in Section 16, the Fair Market Value of the shares of Common Stock subject to any Full Value Award granted to any Director during any one calendar year, together with the value (as determined by the Committee in its sole discretion) of any Awards other than Full Value Awards granted to such Director in such calendar year, shall not exceed five hundred thousand dollars (\$500,000) in the aggregate; *provided* that such limitation shall not apply to any Awards granted at the election of the Director in lieu of cash compensation otherwise payable to the Director for service on the Board or any committee thereof.

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- (d) *Stockholder Rights.* Except for Restricted Stock Grants, the Participant will have no rights of a stockholder with respect to the shares of Common Stock subject to an Award except to the extent that the Company has issued certificates for, or otherwise confirmed ownership of, such shares upon the exercise or, as applicable, the grant or nonforfeiture, of an Award. No adjustment will be made for a dividend or other right for which the record date precedes the date of exercise or nonforfeiture, as applicable.
- (e) *Fractional Shares.* The Company will not issue fractional shares of Common Stock pursuant to the exercise or vesting of an Award. Any fractional share will be rounded up and issued to the Participant in a whole share, except to the extent that such rounding would result in the imposition of any individual tax and penalty interest charges imposed under Code Section 409A, in which case fractional shares will be rounded down.
6. *Terms and Conditions of Options.*
- (a) *General.* Options granted to Employees, Consultants, and Directors are not intended to qualify as Incentive Stock Options. Other than as provided under Section 16 below and except in connection with a merger, acquisition, spinoff, or other similar corporate transaction, the Administrator may not (1) reduce the Exercise Price of any outstanding Option, (2) cancel and re-grant any outstanding Option under the Plan with a lower exercise price, or (3) cancel underwater options for cash, unless in each case the Company's shareholders have approved such action. Subject to the foregoing, the Administrator may set whatever conditions it considers appropriate for the Options, including time-based and/or performance-based vesting conditions.
- (b) *Exercise Price.* The Administrator will determine the Exercise Price under each Option and may set the Exercise Price without regard to the Exercise Price of any other Options granted at the same or any other time. The Exercise Price per share for the Options may not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, except in the event of an Option substitution as contemplated by Section 4(e) above, as provided under Section 16 below or in connection with the issuance of Conversion Awards. The Company may use the consideration it receives from the Optionee for general corporate purposes.
- (c) *Exercisability.* The Administrator will determine the times and conditions for exercise of each Option but may not extend the period for exercise of an Option beyond the tenth anniversary of its Date of Grant. Options will become exercisable at such times and in such manner as the Administrator determines (either initially or subsequent to the grant of the relevant Award); *provided, however,* that the Administrator may, on such terms and conditions as it

determines appropriate, accelerate the time at which the Optionee may exercise any portion of an Option. If the Administrator does not specify otherwise at the Date of Grant, Options for Employees will become exercisable as to one-fifth of the covered shares of Common Stock on each of the first five anniversaries of the Date of Grant, and Options for Eligible Directors will be exercisable in full as of the Date of Grant.

- (d) *Method of Exercise.* To exercise any exercisable portion of an Option, the Optionee must:
- (i) Deliver a written notice of exercise to the Secretary of the Company (or to whomever the Administrator designates), in a form complying with any rules the Administrator may issue and specifying the number of shares of Common Stock underlying the portion of the Option the Optionee is exercising;
 - (ii) Pay the full Exercise Price by cashier's or certified check or wire transfer of immediately available funds for the shares of Common Stock with respect to which the Option is being exercised, unless the Administrator consents to another form of payment (which could include the use of Common Stock); and
 - (iii) Deliver to the Secretary of the Company (or to whomever the Administrator designates) such representations and documents as the Administrator, in its sole discretion, may consider necessary or advisable.

Payment in full of the Exercise Price need not accompany the written notice of exercise provided the notice directs that the shares of Common Stock issued upon the exercise be delivered, either in certificate form or in book entry form, to a licensed broker acceptable to the Company as the agent for the individual exercising the Option and at the time the shares are delivered to the broker, either in certificate form or in book entry form, the broker will tender to the Company cash or cash equivalents acceptable to the Company and equal to the Exercise Price.

The Administrator may agree to payment through the tender to the Company of shares of Common Stock. Shares of Common Stock offered as payment will be valued, for purposes of determining the extent to which the Optionee has paid the Exercise Price, at their Fair Market Value on the date of exercise.

- (e) *Term.* No one may exercise an Option more than ten years after its Date of Grant.
- (f) *Automatic Exercise of Certain Expiring Options.* Notwithstanding any other provision of this Plan or any Award agreement (other than this Section), on the last trading day on which all or a portion of an outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a share of Common Stock exceeds the per share Exercise Price of the Option by at least \$.01 (such expiring portion of an Option that is so in-the-money, an "Auto-

Exercise Eligible Option”), the Optionee shall be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it has not previously been exercised or forfeited) as of the close of trading in accordance with the provisions of this Section. In the event of an automatic exercise pursuant to this Section, the Company shall reduce the number of shares of Common Stock issued to the Optionee upon such Optionee’s automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) the Optionee’s Exercise Price obligation for the Auto-Exercise Eligible Option, and (2) the minimum applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance withholding requirements arising upon the automatic exercise (unless the Administrator deems that a different method of satisfying such withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Common Stock as of the close of trading on the date of exercise. In accordance with procedures established by the Administrator, an Optionee may notify the Company’s record-keeper in writing in advance that he or she does not wish for the Auto-Exercise Eligible Option to be exercised. This Section shall not apply to any Option to the extent that the Administrator determines that this Section causes the Option to fail to qualify for favorable tax treatment under applicable law. In its discretion, the Company may determine to cease automatically exercising Options at any time.

7. *Terms and Conditions of Stock Appreciation Rights.*

- (a) *General.* A SAR represents the right to receive a payment, in cash, shares of Common Stock or both (as determined by the Administrator), equal to the excess of the Fair Market Value on the date the SAR is exercised over the SAR’s Exercise Price. The Administrator shall be subject to the same limitations on the reduction of an SAR Exercise Price as is applicable to the reduction of the Exercise Price of an Option under Section 6(a).
- (b) *Exercise Price.* The Administrator will establish in its sole discretion the Exercise Price of a SAR and all other applicable terms and conditions, including time-based and/or performance-based vesting conditions. The Exercise Price for the SAR may not be less than 100% of the Fair Market Value of a share of Common Stock on the Date of Grant, except in the event of an SAR substitution as contemplated by Section 4(e) above, as provided under Section 16 below or in connection with the issuance of any SAR that is granted in tandem with an Option.
- (c) *Exercisability.* The Administrator will determine the times and conditions for exercise of each SAR but may not extend the period for exercise of a SAR beyond the tenth anniversary of its Date of Grant. SARs will become exercisable at such times and in such manner as the Administrator determines (either initially or subsequent to the grant of the relevant Award); *provided, however,* that the Administrator may, on such terms and conditions as it determines appropriate, accelerate the time at which the Participant may exercise any portion of a SAR. If the Administrator does not specify otherwise, SARs will become exercisable as to one-fifth of the covered shares of Common Stock on each of the first five anniversaries of the Date of Grant.

(d) *Term.* No one may exercise a SAR more than ten years after its Date of Grant.

8. *Terms and Conditions of Restricted Stock Grants.*

- (a) *General.* A Restricted Stock Grant is a direct grant of Common Stock, subject to restrictions and vesting conditions, including time-based vesting conditions and/or the attainment of performance-based vesting conditions or Performance Objectives, as determined by the Administrator and, with regard to Performance Objectives, determined and certified by the Committee (as described in Section 4(b) of the Plan). The Company shall issue the shares to each Recipient of a Restricted Stock Grant either (i) in certificate form or (ii) in book entry form, registered in the name of the Recipient, with legends or notations, as applicable, referring to the terms, conditions, and restrictions applicable to the Award; *provided* that the Company may require that any stock certificates evidencing Restricted Stock Grants be held in the custody of the Company or its agent until the restrictions thereon shall have lapsed, and that, as a condition of any Restricted Stock Grant, the Participant shall have delivered a stock power, endorsed in blank, relating to the shares of Common Stock covered by such Award.
- (b) *Purchase Price.* The Administrator may satisfy any Delaware corporate law requirements regarding adequate consideration for Restricted Stock Grants by (i) issuing Common Stock held as treasury stock or repurchased on the open market or (ii) charging the Recipients at least the par value for the shares of Common Stock covered by the Restricted Stock Grant.
- (c) *Lapse of Restrictions.* The shares of Common Stock underlying such Restricted Stock Grants will become nonforfeitable at such times and in such manner as the Administrator determines (either initially or subsequent to the grant of the relevant Award); *provided, however*, that except with respect to Awards the Committee designates as covered by Performance Objectives for purposes of Code Section 162(m), the Administrator may, on such terms and conditions as it determines appropriate, accelerate the time at which restrictions or other conditions on such Restricted Stock Grants will lapse. If the Administrator does not specify otherwise, any time-based vesting restrictions on Restricted Stock Grants will lapse as to one-half of the covered shares of Common Stock on each of the fourth and fifth anniversaries of the Date of Grant. Unless otherwise specified by the Administrator or by the Committee described in Section 4(b) of the Plan, any performance-based vesting conditions or Performance Objectives must be satisfied, if at all, prior to the 10th anniversary of the Date of Grant.
- (d) *Rights as a Stockholder.* A Recipient who is awarded a Restricted Stock Grant under the Plan shall have the same voting, dividend and other rights as the Company's other stockholders. After the lapse of the restrictions without forfeiture in respect of the Restricted Stock Grant, the Company shall remove any legends or notations referring to the terms, conditions and restrictions on such shares of Common Stock and, if certificated, deliver to the Participant the certificate or certificates evidencing the number of such shares of Common Stock.

9. *Terms and Conditions of Restricted Stock Units.*

- (a) *General.* RSUs shall be credited as a bookkeeping entry in the name of the Recipient in an account maintained by the Company. No shares of Common Stock are actually issued to the Recipient in respect of RSUs on the Date of Grant. Shares of Common Stock shall be issuable to the Recipient only upon the lapse of such restrictions and satisfaction of such vesting conditions, including time-based vesting conditions and/or the attainment of performance-based vesting conditions or Performance Objectives, as determined by the Administrator, or in the case of Performance Objectives, determined and certified by the Committee (as described in Section 4(b) of the Plan).
- (b) *Purchase Price.* The Administrator may satisfy any Delaware corporate law requirements regarding adequate consideration for RSUs by (i) issuing Common Stock held as treasury stock or repurchased on the open market or (ii) charging the Recipients at least the par value for the shares of Common Stock covered by the RSUs.
- (c) *Lapse of Restrictions.* RSUs will vest and the underlying shares of Common Stock will become nonforfeitable at such times and in such manner as the Administrator determines (either initially or subsequent to the grant of the relevant Award); *provided, however*, that except with respect to Awards the Committee designates as covered by Performance Objectives for purposes of complying with Code Section 162(m), the Administrator may, on such terms and conditions as it determines appropriate, accelerate the time at which restrictions or other conditions on such RSUs will lapse. If the Administrator does not specify otherwise, any time-based vesting restrictions on RSUs will lapse as to one-half of the covered shares of Common Stock on each of the fourth and fifth anniversaries of the Date of Grant. Unless otherwise specified by the Administrator or by the Committee described in Section 4(b) of the Plan, any performance-based vesting conditions or Performance Objectives must be satisfied, if at all, prior to the 10th anniversary of the Date of Grant.
- (d) *Rights as a Stockholder.* A Recipient who is awarded RSUs under the Plan shall possess no incidents of ownership with respect to the underlying shares of Common Stock.

10. *Terms and Conditions of Other Stock-Based Awards.* The Administrator may grant Other Stock-Based Awards that are denominated in, valued in whole or in part by reference to, or otherwise based on or related to, Common Stock. The purchase, exercise, exchange or conversion of Other Stock-Based Awards and all other terms and conditions applicable to such Awards will be determined by the Administrator in its sole discretion.

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11. *Converted Danaher Awards.* The Company is authorized to issue Awards (“Conversion Awards”) in connection with the equitable adjustment of certain equity-based awards granted by Danaher prior to the separation of the Company from Danaher (the “Separation”) (collectively, the “Danaher Awards”). Notwithstanding any other provision of the Plan to the contrary, in accordance with a formula for conversion of the Danaher Awards as determined by the Company in a manner consistent with the Separation, the number of shares of Common Stock subject to a Conversion Award and the exercise price of any Conversion Awards that is an Option shall be determined by the Administrator.
12. *Termination of Employment.* Unless the Administrator determines otherwise (either initially or subsequent to the grant of the relevant Award), the following rules shall govern the vesting, exercisability and term of outstanding Awards held by a Participant in the event of termination of such Participant’s employment, where termination of employment means the time when the active employer-employee or other active service-providing relationship between the Participant and the Company or an Eligible Subsidiary ends for any reason, including Retirement. For purposes of Awards granted under this Plan, the Administrator shall have sole discretion to determine whether a Participant has ceased to be actively employed by (or, in the case of a Consultant or Director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. For the avoidance of doubt, a Participant’s active employer-employee or other active service-providing relationship shall not be extended by any notice period mandated under local law (*e.g.*, active employment shall not include a period of “garden leave”, paid administrative leave or similar period pursuant to local law), and in the event of a Participant’s termination of employment (whether or not in breach of local labor laws), Participant’s right to exercise any Option or SAR after termination of employment, if any, shall be measured by the date of termination of active employment or service and shall not be extended by any notice period mandated under local law. Unless the Administrator provides otherwise (either initially or subsequent to the grant of the relevant Award) (1) termination of employment will include instances in which a common law employee is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of a Participant’s employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant’s employer no longer constitutes an Eligible Subsidiary shall constitute a termination of employment or service.
- (a) *General.* Upon termination of employment for any reason other than death, Early Retirement or (with respect to Options and SARs) Normal Retirement, all unvested portions of any outstanding Awards shall be immediately forfeited without consideration. The vested portion of any outstanding RSUs or Other Stock-Based Awards shall be settled upon termination and, except as set forth in subsections (b) – (h) of this Section 12, the Participant shall have a period of ninety (90) days, commencing with the first date the Participant is no longer actively employed, to exercise the vested portion of any outstanding Options or SARs, subject to the term of the Option or SAR; *provided, however*, that if the exercise of an Option or SAR following termination of employment (to the extent

such post-termination exercise is permitted under this Section 12(a)) is not covered by an effective registration statement on file with the U.S. Securities and Exchange Commission, then the Option or SAR shall terminate upon the later of (i) thirty (30) days after such exercise becomes covered by an effective registration statement, or (ii) the end of the original post-termination exercise period; *provided, however*, that in no event may an Option or SAR be exercised after the expiration of the term of the Award.

- (b) *Normal Retirement.* Upon termination of employment by reason of the Participant's Normal Retirement, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the relevant Award (i) subject to the term of the Award any Options or SARs held by the Participant as of the Normal Retirement date will remain outstanding, continue to vest and may be exercised until the fifth anniversary of the Normal Retirement (or if earlier, the termination date of the Award), and (ii) all unvested portions of any other outstanding Awards (including without limitation RSUs and Restricted Stock Grants) shall be immediately forfeited without consideration.
- (c) *Early Retirement.* Upon termination of employment by reason of the Participant's Early Retirement, unless contrary to applicable law and unless otherwise provided by the Administrator either initially or subsequent to the grant of the relevant Award (i) the time-based vesting of any portion of any RSU or Restricted Stock Grant scheduled to vest during the five-year period immediately following such Early Retirement shall be accelerated (*provided* that if any performance-based vesting conditions or Performance Objectives remain unsatisfied as of the Early Retirement date (and the relevant Performance Period has not expired) the Award shall remain outstanding for up to five years after such date (or, if earlier, up to the termination date of the Award) to determine whether such conditions or objectives become satisfied and the Award shall become fully vested once it has been determined that such conditions or objectives have been satisfied within the applicable period (at which point, the vested shares of Common Stock will be delivered to the Participant)), and any portion of such Award subject to time-based vesting conditions not scheduled to vest until after the fifth anniversary of such Early Retirement shall be forfeited, and (ii) subject to the term of the Award any Options or SARs held by the Participant as of the Early Retirement date will remain outstanding, continue to vest and may be exercised until the fifth anniversary of the Early Retirement (or if earlier, the termination date of the Award). Notwithstanding anything to the contrary in this Plan, in connection with any determination to grant Early Retirement to a Participant the Administrator in its sole discretion may determine to grant Early Retirement with respect to a specified portion, but less than all, of the Participant's outstanding Awards.
- (d) *Death.* Upon termination of employment by reason of the Participant's death:
 - (i) All unexpired Options and SARs will become fully exercisable and, subject to the term of the Option or SAR, may be exercised for a period of twelve months thereafter by the personal representative of the Participant's estate or any other person to whom the Option or SAR is transferred under a will or under the applicable laws of descent and distribution.

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- (ii) A portion of the outstanding RSUs and Restricted Stock Grants shall become vested which will be determined as follows. With respect to each portion of an Award of RSUs or Restricted Stock Grant that is scheduled to vest on a particular vesting date, upon the Participant's death, a pro rata amount of the RSUs or the Restricted Stock Grant will vest based on the number of complete twelve-month periods between the Date of Grant and the date of death, (*provided* that any partial twelve-month period between the Date of Grant and the date of death shall also be considered a complete twelve-month period for purposes of this pro-ration methodology), divided by the total number of twelve-month periods between the Date of Grant and the particular, scheduled vesting date. Any fractional right to a share of Common Stock that results from applying the pro rata methodology described herein shall be rounded up to a right to a whole share. Notwithstanding anything in the Plan to the contrary, unless otherwise provided by the Administrator, this acceleration of the vesting will also apply to any RSUs or Restricted Stock Grants the Committee has designated as covered by Performance Objectives for purposes of complying with Code Section 162(m).
 - (iii) With respect to any Award other than an Option, SAR, RSU or Restricted Stock Grant, all unvested portions of the Award shall be immediately forfeited without consideration, unless otherwise provided by the Administrator.
 - (e) *Disability.* Upon termination of employment by reason of the Participant's Disability, all unvested portions of any outstanding Awards shall be immediately forfeited without consideration. The vested portion of any Option or SAR will remain outstanding and, subject to the term of the Option or SAR, may be exercised by the Participant at any time until the first anniversary of the Participant's termination of employment for Disability. The vested portion of any Award other than an Option or SAR shall be settled upon termination of employment.
 - (f) *Gross Misconduct.* Upon termination of employment by reason of the Participant's Gross Misconduct, as determined by the Administrator, all unexercised Options and SARs, unvested portions of RSUs, unvested portions of Restricted Stock Grants and unvested portions of any Other Stock-Based Awards granted under the Plan shall terminate and be forfeited immediately without consideration. Without limiting the foregoing provision, a Participant's termination of employment shall be deemed to be a termination of employment by reason of the Participant's Gross Misconduct if, after the Participant's employment has terminated, facts and circumstances are discovered or confirmed that would have justified a termination for Gross Misconduct.

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- (g) *Post-Termination Covenants.* Notwithstanding any other provision in the Plan, to the extent any Award may remain outstanding under the terms of the Plan after termination of the Participant's employment or service, the Award will nevertheless expire as of the date that the former Employee, Director or Consultant violates any covenant not to compete or any other post-termination covenant (including without limitation any nonsolicitation, nonpiracy of employees, nondisclosure, nondisparagement, works-made-for-hire or similar covenants) in effect between the Company and/or any Subsidiary thereof, on the one hand, and the former Employee, Director or Consultant on the other hand, as determined by the Administrator.
- (h) *Leave of Absence.* To the extent approved by the Administrator (either specifically or pursuant to rules adopted by the Administrator) or otherwise required by applicable law, the active employer-employee or other active service-providing relationship between the Participant and the Company or an Eligible Subsidiary shall not be considered interrupted in the case of: (i) sick leave; (ii) military leave; or (iii) any other leave of absence. For the avoidance of doubt, the Administrator, in its sole discretion, may determine that a Participant's leave of absence to complete a course of study will not constitute termination of employment for purposes of the Plan. Further, during any approved leave of absence, the Administrator shall have sole discretion to provide (either specifically or pursuant to rules adopted by the Administrator) that the vesting of any Awards held by the Participant shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable), and shall not resume until and unless the Participant returns to active employment prior to the expiration of the term (if any) of the Awards, subject to any requirements of applicable laws or contract. The Administrator, in its sole discretion, will determine all questions of whether particular terminations or leaves of absence are terminations of active employment or service.
13. *Award Agreements.* The Administrator will communicate the material terms and conditions of an Award to the Participant in any form it deems appropriate, which may include the use of an Award agreement that the Administrator may require the Participant to sign. To the extent the Award agreement is inconsistent with the Plan, the Plan will govern. The Award agreements may contain special rules, particularly for Participants located outside the United States. To the extent the Administrator determines not to document the terms and conditions of an Award in an Award agreement, the terms and conditions of the Award shall be as set forth in the Plan and in the Administrator's records.
14. *Award Holder.* During the Participant's lifetime and except as provided under Section 22 below, only the Participant or his/her duly appointed guardian may exercise or hold an Award (other than nonforfeitable shares of Common Stock). After the Participant's death, the personal representative of his or her estate or any other person authorized under a will or under the laws of descent and distribution may exercise any then exercisable portion of an Award or hold any then nonforfeitable portion of any Award. If someone other than the original Participant seeks to exercise or hold any portion of an Award, the Administrator may request such proof as it may consider necessary or appropriate of the person's right to exercise or hold the Award.

15. *Performance Rules.*

- (a) *General.* Subject to the terms of the Plan, the Committee will have the authority to establish and administer performance-based grant and/or vesting conditions and Performance Objectives with respect to such Awards as it considers appropriate, which Performance Objectives must be satisfied, as determined by the Committee, before the Participant receives or retains an Award or before the Award becomes nonforfeitable. Where such Awards are granted to Covered Employees, the Committee (as described in Section 4(b) of the Plan) may designate the Awards as subject to the requirements of Code Section 162(m), in which case the provisions of the Awards are intended to conform with all provisions of Code Section 162(m) to the extent necessary to allow the Company to claim a Federal income tax deduction for the Awards as “qualified performance based compensation.” However, the Committee retains the sole discretion to grant Awards that do not so qualify and to determine the terms and conditions of such Awards including any performance-based vesting conditions that shall apply to such Awards. Notwithstanding satisfaction of applicable Performance Objectives, the number of shares of Common Stock or other benefits received under an Award that are otherwise earned upon satisfaction of such Performance Objectives may be reduced by the Committee (but in respect of Awards subject to Code Section 162(m), not increased) on the basis of such further considerations that the Committee in its sole discretion shall determine. No Award subject to Code Section 162(m) shall be paid or vest, as applicable, unless and until the date that the Committee has certified, in the manner prescribed by Code Section 162(m), the extent to which the Performance Objectives for the Performance Period have been attained and has made its decisions regarding the extent, if any, of a reduction of such Award.
- (b) *Performance Objectives.* Performance Objectives will be based exclusively on any one of, or a combination of, the following performance-based measures determined based on the Company and its Subsidiaries on a group-wide basis or on the basis of Subsidiary, platform, division, operating unit and/or other business unit results (subject to the Committee’s exercise of negative discretion): (i) earnings per share (on a fully diluted or other basis), (ii) stock price targets or stock price maintenance, (iii) total shareholder return, (iv) return on capital, return on invested capital or return on equity; (v) pretax or after tax net income, (vi) working capital, (vii) earnings before interest and taxes, (viii) earnings before interest, taxes, depreciation, and amortization (EBITDA), (ix) operating income, (x) free cash flow, (xi) cash flow, (xii) revenue or core revenue, (xiii) gross profit margin, operating profit margin, gross or operating margin improvement or core operating margin improvement, or (xiv) strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market penetration, market share or geographic business expansion goals, cost targets, or objective goals relating to acquisitions or divestitures.

The Committee shall determine whether such Performance Objectives are attained, and such determination will be final and conclusive. Each Performance Objective may be expressed in absolute and/or relative terms or ratios and may be based on or use comparisons with internal targets, the past performance of the Company (including the performance of one or more Subsidiaries, platforms, divisions, operating units and/or other business units) and/or the past or current performance of unrelated companies. Without limiting the foregoing, in the case of earnings-based measures, Performance Objectives may use comparisons relating to capital (including, but not limited to, the cost of capital), cash flow, free cash flow, shareholders' equity, shares outstanding, assets and/or net assets.

For Awards intended to comply with Code Section 162(m), the measures used in setting Performance Objectives under the Plan for any given Performance Period will, to the extent applicable, be determined in accordance with generally accepted accounting principles ("GAAP") and in a manner consistent with the methods used in the Company's audited financial statements, without regard to (1) unusual or infrequently occurring items in accordance with GAAP, (2) the impact of any change in accounting principles that occurs during the Performance Period (or that occurred during any period that the Performance Period is being compared to) and the cumulative effect thereof (*provided* that the Committee may (as specified by the Committee within the Applicable Period) either apply the changed accounting principle to all periods referenced in the Award, or exclude the changed accounting principle from all periods referenced in the Award), (3) goodwill and other intangible impairment charges, (4) gains or charges associated with discontinued operations or with the obtaining or losing control of a business, (5) gains or charges related to the sale or impairment of assets, (6) (i) all transaction costs directly related to acquisitions, (ii) all restructuring charges directly related to acquisitions and incurred within two years of the acquisition date, (iii) all charges and gains arising from the resolution of acquisition-related contingent liabilities identified as of the acquisition date, and (iv) all other charges directly related to acquisitions and incurred within two years of the acquisition date, (7) the impact of any discrete income tax charges or benefits identified during the Performance Period (or during any period that the Performance Period is being compared to), and (8) other objective income, expense, asset, liability and/or cash flow adjustments as may be consistent with the purposes of the Performance Objectives set for the given Performance Period and specified by the Committee within the Applicable Period, which may include adjustments that would cause one or more of the Performance Objectives to be considered "non-GAAP financial measures" under rules promulgated by the Securities and Exchange Commission; *provided*, that with respect to the gains and charges referred to in sections (3), (4), (5), (6)(iii), 6(iv) and (7), only gains or charges that individually or as part of a series of related items exceed \$10 million in aggregate during the Performance Period and any period that the Performance Period is being compared to are excluded; and *provided further* that the Committee in its sole discretion and within the Applicable Period may determine that any or all of the carve-outs described in subsections (1) through (7) shall not be excluded from the measures used to determine the Performance Objectives for a particular

Performance Period or shall be modified, and/or may determine to exclude other items from such measures for such Performance Period. In addition to the Performance Objectives established for any Award that is intended to comply with Code Section 162(m) and any time-based vesting provisions that may apply to such Award, any Award that is intended to comply with Code Section 162(m) shall not vest under its terms unless the Company has first achieved four consecutive fiscal quarters of positive net income during the period between the grant date and the tenth anniversary of the grant date and the Administrator has certified that such performance has been satisfied.

16. *Adjustments upon Changes in Capital Stock.* Subject to any required action by the Company (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, some other increase or decrease in such Common Stock occurs without the Company's receiving consideration, the Administrator shall make a proportionate and appropriate adjustment as the Administrator in its sole discretion deems to be appropriate, in any of the following in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan: (a) the kind and number of shares of Common Stock, other securities or property or the amount of cash subject to each outstanding Award; (b) the Exercise Price or purchase price of any outstanding Award; (c) the aggregate number of shares of Common Stock which thereafter may be made the subject of Awards, including the limit specified in Section 5(a) regarding the number of shares available for Awards; (d) the number of shares of Common Stock specified as the annual per-Participant limitation under Section 5(b); and (e) the Fair Market Value of the shares of Common Stock specified as the per-Participant limitation under Section 5(c).

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 a proportionate and appropriate adjustment as the Administrator in its sole discretion deems to be appropriate to the items set forth in any of subsections (a) through (d) 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 Company 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 subject to any Award or the Exercise Price except as this Section 16 specifically provides. The grant of an Award under the Plan will not affect in any way the right or power of the Company 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.

17. *Substantial Corporate Change.*

- (a) *Definition.* A Substantial Corporate Change means the consummation of:
- (i) the dissolution or liquidation of the Company; or
 - (ii) the merger, consolidation, or reorganization of the Company with one or more corporations, limited liability companies, partnerships or other entities in which the Company is not the surviving entity (other than a merger, consolidation or reorganization which would result in the voting securities of the Company outstanding immediately prior to such event continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger, consolidation or reorganization and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity); or
 - (iii) the sale of all or substantially all of the assets of the Company to another person or entity; or
 - (iv) any transaction (including a merger or reorganization in which the Company survives) approved by the Board that results in any person or entity (other than any affiliate of the Company as defined in Rule 144(a)(1) under the Securities Act) owning 100% of the combined voting power of all classes of stock of the Company.
- (b) *Treatment of Awards.* Upon a Substantial Corporate Change, the Plan and any forfeitable portions of the Awards will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of outstanding Awards, or the substitution for such Awards of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the Awards will continue in the manner and under the terms so provided. Unless the Board determines otherwise, if an Award would otherwise terminate pursuant to the preceding sentence, the Administrator will either:
- (i) provide that Optionees or holders of SARs will have the right, at such time before the consummation of the transaction causing such termination as the Board reasonably designates, to exercise any unexercised portions of an Option or SAR, whether or not they had previously become exercisable; or
 - (ii) for any Awards, cause the Company, or agree to allow the successor, to cancel each Award after payment to the Participant of an amount in cash, cash equivalents, or successor equity interests substantially equal to the value of the Award under the transaction as determined by the Administrator (minus, for Options and SARs, the Exercise Price for the shares covered by the Option or SAR (and for any Awards, where the Board or the Administrator determines it is appropriate, any required tax withholdings)).

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18. *Participants Outside the United States.* To comply with the laws in other countries in which the Company or any of its Subsidiaries operates or has Employees, Directors or Consultants, the Administrator, in its sole discretion, shall have the power and authority to:
- (a) Determine which Subsidiaries shall be covered by the Plan;
 - (b) Determine which Participants outside the United States are eligible to participate in the Plan;
 - (c) Either initially or by amendment, modify the terms and conditions of any Award granted to any Participant outside the United States;
 - (d) Either initially or by amendment, establish sub-plans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; and
 - (e) Either initially or by amendment, take any action that it deems advisable to obtain approval or comply with any applicable government regulatory exemptions or approvals.

Although in establishing such sub-plans, terms or procedures, the Company may endeavor to (i) qualify an Award for favorable foreign tax treatment or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on holders of Awards under the Plan.

19. *Legal compliance.* The granting of Awards and the issuance of shares of Common Stock under the Plan shall be subject to compliance with all applicable requirements imposed by federal, state, local and foreign securities laws and other laws, rules, and regulations, and by any applicable regulatory agencies or stock exchanges. The Company shall have no obligation to issue shares of Common Stock issuable under the Plan or deliver evidence of title for shares of Common Stock issued under the Plan prior to obtaining any approvals from governmental agencies that the Company determines are necessary, and completion of any registration or other qualification of the shares of Common Stock under any applicable national or foreign law or ruling of any governmental body that the Company determines to be necessary. To that end, the Company may require the Participant to take any reasonable action to comply with such requirements before issuing such shares of Common Stock. No provision in the Plan or action taken under it authorizes any action that is otherwise prohibited by federal, state, local or foreign laws, rules, or regulations, or by any applicable regulatory agencies or stock exchanges.

The Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and all regulations and rules the U.S. Securities and Exchange Commission issues under those laws. Notwithstanding anything in the Plan to the contrary, the Administrator must administer the Plan, and Awards may be granted, vested and exercised, only in a way that conforms to such laws, rules, and regulations.

20. *Purchase for Investment and Other Restrictions.* Unless a registration statement under the Securities Act covers the shares of Common Stock a Participant receives under an Award, the Administrator may require, at the time of such grant and/or exercise and/or lapse of restrictions, that the Participant agree in writing to acquire such shares for investment and not for public resale or distribution, unless and until the shares subject to the Award are registered under the Securities Act. Unless the shares of Common Stock are registered under the Securities Act, the Participant must acknowledge:

- (a) that the shares of Common Stock received under the Award are not so registered;
- (b) that the Participant may not sell or otherwise transfer the shares of Common Stock unless the shares have been registered under the Securities Act in connection with the sale or transfer thereof, or counsel satisfactory to the Company has issued an opinion satisfactory to the Company that the sale or other transfer of such shares is exempt from registration under the Securities Act; and
- (c) such sale or transfer complies with all other applicable laws, rules, and regulations, including all applicable federal, state, local and foreign securities laws, rules and regulations.

Additionally, the Common Stock, when issued under an Award, will be subject to any other transfer restrictions, rights of first refusal, and rights of repurchase set forth in or incorporated by reference into other applicable documents, including the Company's articles or certificate of incorporation, by-laws, or generally applicable stockholders' agreements.

The Administrator may, in its sole discretion, take whatever additional actions it deems appropriate to comply with such restrictions and applicable laws, including placing legends on certificates and issuing stop-transfer orders to transfer agents and registrars.

21. *Tax Withholding.* The Participant must satisfy all applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance withholding requirements before the Company will deliver stock certificates or otherwise recognize ownership or nonforfeitability under an Award. The Company may decide to satisfy the withholding obligations through additional withholding on salary or wages. If the Company does not or cannot withhold from the Participant's compensation, the Participant must pay the Company, with a cashier's check or certified check or by wire transfer of immediately available funds, the full amounts required for withholding. Payment of withholding obligations is due at the same time as is payment of the Exercise Price or lapse of restrictions, as applicable. If the Administrator so determines, the Participant may instead satisfy the withholding obligations at the Administrator's

election, including (a) by directing the Company to retain shares of Common Stock from the Option or SAR exercise, RSU vesting or release of the Award, (b) by directing the Company to sell or arrange for the sale of shares of Common Stock that the Participant acquires at the Option or SAR exercise or release of the Award, (c) by tendering previously owned shares of Common Stock, (d) by attesting to his or her ownership of shares of Common Stock (with the distribution of net shares), or (e) by having a broker tender to the Company cash equal to the withholding taxes, subject in each case to a withholding of no more than the minimum applicable tax withholding rate or such other rate that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity.

22. *Transfers, Assignments or Pledges.* Unless the Administrator otherwise approves in advance in writing or as set forth below, an Award may not be assigned, pledged, or otherwise transferred in any way, whether by operation of law or otherwise or through any legal or equitable proceedings (including bankruptcy), by the Participant to any person, except by will or by operation of applicable laws of descent and distribution. If necessary to comply with Rule 16b-3 under the Exchange Act, the Participant may not transfer or pledge shares of Common Stock acquired under an Award until at least six months have elapsed from (but excluding) the Date of Grant, unless the Administrator approves otherwise in advance in writing. The Administrator may, in its sole discretion, expressly provide that a Participant may transfer his or her Award, without receiving consideration, to (a) members of the Participant's immediate family, children, grandchildren, or spouse, (b) a trust in which the Participant and/or such family members collectively have more than 50% of the beneficial interest, or (c) any other entity in which the Participant and/or such family members own more than 50% of the voting interests.
23. *Amendment or Termination of Plan and Awards.* The Board may amend, suspend, or terminate the Plan at any time, without the consent of the Participants or their beneficiaries; *provided, however*, that no amendment may have a material adverse effect on any Participant or beneficiary with respect to any previously declared Award, unless the Participant's or beneficiary's consent is obtained. Except as required by law or by Section 16 above in the event of a Substantial Corporate Change, the Administrator may not, without the Participant's or beneficiary's consent, modify the terms and conditions of an Award so as to have a material adverse effect on the Participant or beneficiary. Notwithstanding the foregoing to the contrary, the Board reserves the right, to the extent it deems necessary or advisable in its sole discretion, to unilaterally modify the Plan and any Awards made thereunder to ensure all Awards and Award agreements provided to Participants who are U.S. taxpayers are made in such a manner that either qualifies for exemption from or complies with Code Section 409A including, but not limited to, the ability to increase the exercise or purchase price of an Award (without the consent of the Participant) to the Fair Market Value on the date the Award was granted; *provided, however* that the Company makes no representations that the Plan or any Awards will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to the Plan or any Award made thereunder.

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24. *Privileges of Stock Ownership.* No Participant and no beneficiary or other person claiming under or through such Participant will have any right, title, or interest in or to any shares of Common Stock allocated or reserved under the Plan or subject to any Award except as to such shares of Common Stock, if any, that have been issued to such Participant.
 25. *Effect on Other Plans.* Whether receiving or exercising an Award causes the Participant to accrue or receive additional benefits under any pension or other plan is governed solely by the terms of such other plan.
 26. *Limitations on Liability.* Notwithstanding any other provisions of the Plan, no individual acting as a Director, Employee, or agent of the Company or any of its Subsidiaries shall be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan, nor shall such individual be personally liable because of any contract or other instrument he or she executes in such other capacity. The Company will indemnify and hold harmless each Director, Employee, or agent of the Company or any of its Subsidiaries to whom any duty or power relating to the administration or interpretation of the Plan has been or will be delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Board's approval) arising out of any act or omission to act concerning this Plan unless arising out of such person's own fraud or bad faith.
 27. *No Employment Contract.* Nothing contained in this Plan constitutes an employment contract between the Company and any Participant. The Plan does not give any Participant any right to be retained in the Company's employ or service, nor does it enlarge or diminish the Company's right to terminate the Participant's employment or service.
 28. *Governing Law.* The laws of the State of Delaware (other than its choice of law provisions) govern this Plan and its interpretation. Any dispute that arises with respect to this Plan or any Award granted under this Plan shall be conducted in the courts of New Castle County in the State of Delaware, or the United States Federal court for the District of Delaware.
 29. *Duration of Plan.* The Plan shall become effective as of July 2, 2016, and except as otherwise expressly provided by the Administrator, shall govern all Awards previously or subsequently granted hereunder. Unless the Board extends the Plan's term, the Administrator may not grant Awards under the Plan after July 2, 2026. The Plan will then continue to govern unexercised and unexpired Awards.
 30. *Recoupment.* Each Award granted under the Plan is subject to the terms of the Fortive Corporation Recoupment Policy as it exists from time to time (a copy of the Recoupment Policy as it exists from time to time is available on the Company's internal website) if and to the extent such Recoupment Policy by its terms applies to such Award, and to the terms required by applicable law.

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31. *Section 409A Requirements.* The Plan as well as payments and benefits under the Plan are intended to be exempt from or, to the extent subject thereto, to comply with, Code Section 409A, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, the Participant shall not be considered to have terminated employment or service with the Company for purposes of the Plan and no payment shall be due to the Participant under the Plan or any Award until the Participant would be considered to have incurred a “separation from service” from the Company and its Affiliates within the meaning of Code Section 409A. Any payments described in the Plan that are due within the “short term deferral period” as defined in Code Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Code Section 409A, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Code Section 409A. The Company makes no representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Code Section 409A and makes no undertaking to preclude Code Section 409A from applying to any such payment. The Participant shall be solely responsible for the payment of any taxes and penalties incurred under Code Section 409A.

FORTIVE CORPORATION
2016 EXECUTIVE INCENTIVE COMPENSATION PLAN
Effective as of July 2, 2016

PURPOSE

Fortive Corporation, a Delaware corporation (the “**Company**”), wishes to motivate, reward, and retain executive officers of the Company and its subsidiaries. To further these objectives, the Company hereby sets forth this Fortive Corporation 2016 Executive Incentive Compensation Plan (the “**Plan**”), effective as of July 2, 2016, to provide participants with performance-based bonus awards (“**Awards**”), in accordance with Section 162(m) (“**Section 162(m)**”) of the Internal Revenue Code of 1986 (the “**Code**”). (All references to Section 162(m) or any other Code provision include successor provisions, related regulations, and amendments.)

PARTICIPANTS

The **Participants** in the Plan shall be the Executive Officers of the Company.

Executive Officer has the meaning set forth in Rule 3b-7 issued under the Securities Exchange Act of 1934, as amended from time to time, and anyone else the Committee determines to treat as an Executive Officer for purposes of this Plan.

ADMINISTRATOR

The Plan’s **Administrator** will be the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company.

The Committee will include two or more members, each of whom qualifies as an “outside director” within the meaning of Section 162(m), and those outside directors will have exclusive authority under this Plan to make Awards and determine the attainment of Performance Goals. The Committee may satisfy this requirement through (i) providing that persons who are not “outside directors” cannot vote on an issue, (ii) allowing those persons to abstain from voting, or (iii) creating a subcommittee of qualifying outside directors to take action with respect to this Plan. If a Committee member intended to qualify as an outside director does not in fact so qualify, the mere fact of such nonqualification will not invalidate the payment of any Award or other action by the Committee under the Plan that was otherwise valid under the Plan.

The Committee is responsible for the general operation and administration of the Plan and for carrying out its provisions and has full discretion in interpreting and administering the provisions of the Plan. Subject to the express provisions of the Plan, the Committee may exercise such powers and authority of the Board as the Committee may find necessary or appropriate to carry out its functions. The Committee intends to exercise its powers under the Plan in a manner that preserves the Company’s Federal income tax deduction for payments made under the Plan, in accordance with the requirements of Section 162(m), to the maximum practical extent.

GENERAL RESPONSIBILITIES OF THE COMMITTEE

Subject to the terms of the Plan, for each Performance Period the Committee will:

- establish each Participant's potential Award,
- define Performance Goals and other Award terms and conditions for each Participant,
- determine and certify in writing the Award amounts earned, based on actual performance as compared to the Performance Goals,
- determine and make permitted Negative Discretion Adjustments to Awards otherwise earned, and
- decide whether, under what circumstances, and subject to what terms, Awards will be paid on a deferred basis (including automatic deferrals at the Committee's election or elective deferrals at the election of Participants).

Unless the Plan otherwise expressly provides, all designations, determinations, interpretations, and other decisions made under or with respect to the Plan and all Awards made under the Plan are within the sole and absolute discretion of the Committee and will be final, conclusive and binding on all persons, including the Company, Participants, and Beneficiaries or other persons having or claiming any rights under the Plan.

AWARDS

For any single Performance Period, the amount payable to a Participant for such Performance Period shall equal the lesser of (i) ten million dollars (\$10,000,000.00) (pro-rated for any Performance Period of less than 12 months), or (ii) the amount earned pursuant to the Performance Goals and other Award terms and conditions established by the Committee with respect to such Performance Period; in each case, subject to any further Negative Discretion Adjustments as the Committee may determine. The Committee will establish each Participant's potential Award, including the applicable Performance Goals and related terms and conditions, for each Performance Period within the Applicable Period. A Participant's potential Award may be expressed in dollars or may be based on a formula that is consistent with the provisions of the Plan.

PERFORMANCE PERIOD

A **Performance Period** is a period for which Performance Goals are set and during which performance is to be measured to determine whether a Participant is entitled to payment of an Award under the Plan. A Performance Period may coincide with one or more complete or partial calendar or fiscal years of the Company. Performance Periods may be of varying and overlapping durations. Any Performance Period shall be at least 12 months in duration except as otherwise permitted by Section 162(m). Unless otherwise designated by the Committee, the Performance Period will be based on the calendar year.

PERFORMANCE GOALS

The Committee will have the authority to establish and administer Performance Goals with respect to such Awards as it considers appropriate, which Performance Goals must be satisfied, as the Committee specifies, before a Participant receives an Award.

Performance Goals will be based exclusively on any one of, or a combination of, the following performance-based measures determined based on the Company and its subsidiaries on a group-wide basis or on the basis of subsidiary, platform, division, operating unit and/or other business unit results (subject to the Committee's exercise of negative discretion):

- earnings per share (on a fully diluted or other basis);
- stock price targets or stock price maintenance;
- total shareholder return;
- return on capital, return on invested capital or return on equity;
- pretax or after-tax net income;
- working capital;
- earnings before interest and taxes;
- earnings before interest, taxes, depreciation, and amortization (EBITDA);
- operating income;
- free cash flow;
- cash flow;
- revenue or core revenue;
- gross profit margin;
- operating profit margin, gross or operating margin improvement or core operating margin improvement; or
- strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market penetration, market share or geographic business expansion goals, cost targets, or objective goals relating to acquisitions or divestitures.

The Committee shall determine whether such Performance Goals are attained, and such determination will be final and conclusive. Each Performance Goal may be expressed in absolute and/or relative terms or ratios and may be based on or use comparisons with internal targets, the past performance of the Company (including the performance of one or more subsidiaries, platforms, divisions, operating units and/or other business units) and/or the past or current performance of unrelated companies. Without limiting the foregoing, in the case of earnings-based measures, Performance Goals may use comparisons relating to capital (including, but not limited to, the cost of capital), cash flow, free cash flow, shareholders' equity, shares outstanding, assets and/or net assets.

The measures used in setting Performance Goals under the Plan for any given Performance Period will, to the extent applicable, be determined in accordance with generally accepted accounting principles (“GAAP”) and in a manner consistent with the methods used in the Company’s audited financial statements, but the Performance Goals will be determined without regard to (1) unusual or infrequently occurring items in accordance with GAAP, (2) the impact of any change in accounting principles that occurs during the Performance Period (or that occurred during any period that the Performance Period is being compared to) and the cumulative effect thereof (*provided* that the Committee may (as specified by the Committee within the Applicable Period) either apply the changed accounting principle to all periods referenced in the Award, or exclude the changed accounting principle from all periods referenced in the Award), (3) goodwill and other intangible impairment charges, (4) gains or charges associated with discontinued operations or with the obtaining or losing control of a business, (5) gains or charges related to the sale or impairment of assets, (6) (i) all transaction costs directly related to acquisitions, (ii) all restructuring charges directly related to acquisitions and incurred within two years of the acquisition date, (iii) all charges and gains arising from the resolution of acquisition-related contingent liabilities identified as of the acquisition date, and (iv) all other charges directly related to acquisitions and incurred within two years of the acquisition date, (7) the impact of any discrete income tax charges or benefits identified during the Performance Period (or during any period that the Performance Period is being compared to), and (8) other objective income, expense, asset, liability and/or cash flow adjustments as may be consistent with the purposes of the Performance Goals set for the given Performance Period and specified by the Committee within the Applicable Period, which may include adjustments that would cause one or more of the Performance Goals to be considered “non-GAAP financial measures” under rules promulgated by the Securities and Exchange Commission; *provided*, that with respect to the gains and charges referred to in sections (3), (4), (5), (6)(iii), 6(iv) and (7), only gains or charges that individually or as part of a series of related items exceed \$10 million in aggregate during the Performance Period and any period that the Performance Period is being compared to are excluded; and *provided further* that the Committee in its sole discretion and within the Applicable Period may determine that any or all of the carve-outs described in subsections (1) through (7) shall not be excluded from the measures used to determine the Performance Goals for a particular Performance Period or shall be modified, and/or may determine to exclude other items from such measures for such Performance Period.

In all cases, Performance Goals are intended to be set in a manner that will satisfy any applicable requirements under Treas. Reg. Sec. 1.162-27(e)(2) (as amended from time to time). Subject to any amendment to such regulation, such requirements include requirements that achieving Performance Goals be “substantially uncertain” at the time that they are established, that Performance Goals be defined in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the Goals have been met, and such a third party could determine the maximum amount of the resulting Award payable (subject to the Committee’s right to make Negative Discretion Adjustments).

The **Applicable Period** with respect to any Performance Period for an Award means a period beginning on or before the first day of the Performance Period and ending no later than the earlier of (i) the 90th day of the Performance Period or (ii) the date on which 25% of the Performance Period has been completed.

Any action required under the Plan to be taken within the Applicable Period may be taken at a later date only if the provisions of Section 162(m) or the regulations thereunder are modified, or are interpreted by the Internal Revenue Service, to permit such later date. In such event, the definition of the Applicable Period under this Plan will be deemed to be amended accordingly.

PAYMENT OF AWARDS

Subject to the limitations set forth in this section and unless otherwise determined by the Committee, Awards determined under the Plan for a Performance Period will be paid to Participants either (i) in cash or (ii) in shares or equity-based awards under the Company's 2016 Stock Incentive Plan or any successor thereto, in each case no earlier than the January 1st and no later than the March 15th of the calendar year following the end of the Performance Period to which the Awards apply, unless deferred pursuant to the Plan.

CERTIFICATION

No Award will be paid unless and until the Committee has certified in the manner prescribed under applicable regulations the extent to which the Performance Goals for the Performance Period have been attained and has made and exercised its decisions regarding the extent of any Negative Discretion Adjustment of Awards for Participants for the Performance Period.

DEFERRAL

All or any portion of the Award for any given Performance Period may be deferred under the Fortive Corporation Executive Deferred Incentive Program.

CONTINUED EMPLOYMENT

The Committee may require that Participants for a Performance Period must still be employed as of the end of the Performance Period and/or as of the later date that the Awards for the Performance Period are communicated or paid to be eligible for an Award for the Performance Period. Any such requirement must be established and announced within the Applicable Period, and may be subject to such exceptions as the Committee may specify within the Applicable Period.

FORFEITURE OR PRORATION

Within the Applicable Period and subject to the Committee certification required for payment of Awards, the Committee may adopt such forfeiture, proration, or other rules as it deems appropriate, in its sole and absolute discretion, regarding the impact on Awards of a Participant's death, Disability or other events or situations determined by the Committee to constitute an appropriate exception to attainment of any Performance Goal for purposes of Treas. Reg. Sec. 1.162-27(e)(2) (as amended from time to time).

A Participant shall be considered to have a **Disability** if the Participant (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or that has lasted or can be

expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Participant's employer.

**NEGATIVE DISCRETION
ADJUSTMENTS**

The Committee's powers include the power to make **Negative Discretion Adjustments**, which are adjustments that eliminate or reduce (but not increase) an Award otherwise payable to a Participant for a Performance Period. No Negative Discretion Adjustment may cause an Award to fail to qualify as "performance based compensation" under Section 162(m).

OTHER PLANS

A Participant in this Plan may not also participate in the Company's general bonus plans during any Performance Period if such participation would cause an Award under this Plan to fail to qualify as "performance based" under Section 162(m).

Awards will not be treated as compensation for purposes of any other compensation or benefit plan, program, or arrangement of the Company or any subsidiary unless and except to the extent that the Board or the Committee determines in writing.

Neither the adoption of this Plan nor the submission of the Plan to the Company's shareholders for approval will be construed as limiting the power of the Board or the Committee to adopt such other cash or equity incentive arrangements as either may otherwise deem appropriate.

LEGAL COMPLIANCE

The Company will not make payments of Awards until all applicable requirements imposed by Federal, state and foreign laws, rules, and regulations, and by any applicable regulatory agencies, have been fully met. No provision in the Plan or action taken under it authorizes any action that applicable laws otherwise prohibit.

The Plan is intended to conform with all provisions of Section 162(m) and Treas. Reg. § 1.162-27 to the extent necessary to allow the Company a Federal income tax deduction for Awards as "qualified performance-based compensation."

Notwithstanding anything in the Plan to the contrary, the Committee will administer the Plan, and Awards may be granted and paid, only in a manner that conforms to such laws, rules, and regulations. To the extent permitted by applicable law, the Plan will be treated as amended to the extent necessary to conform to such laws, rules, and regulations.

TAX WITHHOLDING

The Company may make all appropriate provisions for the withholding of Federal, state, foreign and local taxes imposed with respect to Awards, which provisions may vary with the time and manner of payment.

NONTRANSFER OF RIGHTS

Except as and to the extent the law requires, or as the Plan expressly provides, a Participant's rights under the Plan may not be assigned, pledged, or otherwise transferred in any way, whether by operation of law or otherwise or through any legal or equitable proceedings (including bankruptcy), by the Participant to any person.

AMENDMENT OR TERMINATION OF PLAN

Subject to the limitations set forth in this section, the Board may amend, suspend, or terminate the Plan at any time, without the consent of the Participants or their Beneficiaries.

The Board or the Committee may make any amendments necessary to comply with applicable regulatory requirements, including Section 162(m) and regulations thereunder.

The Board must submit any Plan amendment to the Company's shareholders for their approval if and to the extent such approval is required under Section 162(m).

LIMITATIONS ON LIABILITY

No member of the Committee and no other individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, Beneficiary, or any other person or entity for any claim, loss, liability, or expense incurred in connection with the Plan. No member of the Committee will be liable for any action or determination (including, but limited to, any decision not to act) made in good faith with respect to the Plan or any Award under the Plan.

NO EMPLOYMENT CONTRACT

Nothing contained in this Plan constitutes an employment contract between the Company and the Participants. The Plan does not give any Participant any right to be retained in the Company's employ, nor does it enlarge or diminish the Company's right to end the Participant's employment or other relationship with the Company.

APPLICABLE LAW

The laws of the State of Delaware (other than its choice of law provisions) govern this Plan and its interpretation.

DURATION OF THE PLAN

The Plan will remain effective until terminated by the Board, *provided, however*, that the continued effectiveness of the Plan will be subject to the approval of the Company's shareholders at such times and in such manner as Section 162(m) may require.

DISCLOSURE/APPROVAL

The specific terms of the Plan, including the class of employees eligible to be Participants, the Performance Goals, and the terms of payment of Awards, must be disclosed to and approved by the shareholders to the extent Section 162(m) requires.

CODE SECTION 409A REQUIREMENTS

The Plan as well as payments under the Plan are intended to be exempt from or, to the extent subject thereto, to comply with, Section 409A of the Code ("**Section 409A**"), and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained in the Plan to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, a Participant shall not be considered to have terminated employment or service with the Company for purposes of the Plan until the Participant would be considered to have incurred a "separation from service" from the Company and its affiliates within the meaning of Section 409A. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service and such payment would result in the imposition of any individual tax and

penalty interest charges imposed under Section 409A, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under the Plan shall be construed as a separate identified payment for purposes of Section 409A. The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment. Each Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

RECOUPMENT

Any Award awarded under the Plan is subject to the terms of the Fortive Corporation Recoupment Policy in the form approved by the Committee (a copy of the Recoupment Policy as it exists from time to time is available on the Company's internal website) and to the terms required by applicable law.

**FORTIVE SENIOR LEADERS SEVERANCE PAY PLAN
COMPONENT OF THE
FORTIVE SEVERANCE PLAN
PLAN AND SUMMARY PLAN DESCRIPTION**

**FORTIVE SENIOR LEADERS SEVERANCE PAY PLAN
COMPONENT OF THE
FORTIVE SEVERANCE PLAN**

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**FORTIVE SENIOR LEADERS SEVERANCE PAY PLAN
COMPONENT OF THE
FORTIVE SEVERANCE PLAN**

Plan and Summary Plan Description

I. INTRODUCTION

Fortive Corporation (the “Company”) has established this Fortive Senior Leaders Severance Pay Plan component of the Fortive Severance Plan (this component, hereafter referred to as the “Plan”) for the benefit of eligible domestic (United States) Senior Leader employees of the Company and the Company’s domestic (United States) affiliates (individually and collectively referred to as the “Employer”), effective as of the date that the Company and Employers cease to be members in the Danaher Corporation controlled group (the “Spin-off Date”). The purpose of the Plan is to provide an eligible Senior Leader employee who is terminated under the conditions described herein a measure of financial security while seeking new employment.

The Plan is an unfunded welfare benefit plan for purposes of the Employee Retirement Income Security Act of 1974 (“ERISA”) and a severance pay plan within the meaning of United States Department of Labor regulations section 2510.3-2(b). The Plan supersedes any Employer severance pay plans, programs or policies affecting eligible employees, both formal and informal. This document serves as both the Plan document and the Summary Plan Description for the Plan for all purposes under ERISA.

Nothing in this Plan is to be read or interpreted as changing the Employer policy that all covered employees are employed at will, and the Employer continues to retain the absolute right and power to terminate any employee with or without good cause and with or without prior notice. Furthermore, nothing contained in this Plan confers any right or guarantee of continued employment on any employee. No one has any authority to make any promises or commitments changing this employment at will policy, unless clearly set forth in a written employment agreement specifically designated as such and signed by an authorized officer of the Employer.

II. Eligibility

A. Eligible Employees

Regular full-time salaried employees of domestic (United States) Employer locations who are notified of their termination of employment and terminated from their employment on or after the Spin-off Date and who meet one of the following requirements (an “eligible employee”) shall be eligible for severance benefits under this Plan under certain conditions:

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1. The employee is a president of a U.S. operating Employer with annual revenue of at least \$100 million, or is a management employee who is a direct report to such a president employee; or
 2. The employee is employed by an Employer in a capacity considered to be the equivalent of or a more senior role than “president employees” described in Item 1 above (for example, Fortive Corporation Executive Officers, Corporate Officers, Executive Vice Presidents, Senior Vice Presidents, Group Executives, etc.) or is a management employee who is a direct report to employees in such a senior leadership role.

Eligible employees will be eligible for benefits under the Plan if their employment is permanently terminated due to:

1. a reduction in the Employer’s workforce or a plant closing;
2. elimination of their jobs or positions;
3. termination by the Employer prior to or upon and in connection with a sale or divestiture of the Employer, or any division, business unit, plant or office location of the Employer; or
4. the determination in the Employer’s sole judgment that they are unsuited for their position, and/or their performance, though well-intentioned, does not meet the Employer’s standards. Despite this provision, employees terminated for “cause” (see definition in Section II.B below) are not eligible for benefits under this Plan.

For purposes of the Plan, a “full-time” employee is one regularly scheduled to work 30 or more hours per week.

The Plan does not apply to part-time employees (employees regularly scheduled to work less than 30 hours per week), temporary employees, independent contractors, consultants, individuals performing services for the Employer who have entered into an independent contractor or consulting agreement with the Employer, or leased workers or personnel of the Employer. In particular, individuals not treated as employees by the Employer on its payroll records are excluded from participation even if a court or administrative agency determines that such individuals are employees and not independent contractors.

The decision as to whether or not an employee is eligible for severance is solely within the Plan Administrator’s discretion.

B. Employees Ineligible to Receive Benefits

An otherwise eligible employee shall not be eligible for severance benefits under the Plan if the Plan Administrator determines, in its sole discretion, that:

1. the employee is eligible for severance benefits under the Fortive Salaried Employees Severance Pay Plan component of the Fortive Severance Plan;

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2. the employee voluntarily quits or is discharged for cause, as determined by the employee's Employer in its sole discretion ("cause" for purposes of the Plan means: (i) the employee's dishonesty, fraud, misappropriation, embezzlement, willful misconduct or gross negligence with respect to the Employer, or any other action in willful disregard of the interests of the Employer; (ii) the employee's conviction of, or pleading guilty or no contest to (1) a felony, (2) any misdemeanor (other than a traffic violation), or (3) any other crime or activity that would impair the employee's ability to perform duties or impair the business reputation of the Employer; (iii) the employee's willful failure or refusal to satisfactorily perform any duties assigned to the employee; (iv) the employee's failure or refusal to comply with Company standards, policies or procedures, including without limitation the Company's Standards of Conduct as amended from time to time; (v) the employee's violation of any restrictive covenant agreement with an Employer; (vi) the employee's engaging in any activity that is in conflict with the business purposes of the Employer, as determined in the Employer's sole discretion, or (vii) a material misrepresentation or a breach of any of the employee's representations, obligations or agreements under this Agreement);
 3. the employee voluntarily elects to retire;
 4. the employee terminates employment by reason of death;
 5. the employee terminates employment under circumstances that entitle the employee to receive long term disability benefits;
 6. the employee's position is eliminated by the Employer, but the employee is offered and refuses a position at comparable base salary and comparable annual target incentive compensation at the same location or within commuting distance of his or her home (defined as 35 miles from his or her residence, or his or her current commute, whichever is greater);
 7. the employee's employment with the Employer is terminated, but the employee is offered and refuses a position at comparable base salary and comparable annual target incentive compensation at the same location or within commuting distance of his or her home (defined as 35 miles from his or her residence, or his or her current commute, whichever is greater) by an entity purchasing the Employer or any division, business unit, plant or office location of the Employer, which employs such employees;
 8. the employee's employment with the Employer ends after this Plan has been terminated;
 9. the employee has been informed of the termination of his or her employment, but the employee leaves employment with the Employer before a date authorized by the Employer; or

10. the employee has waived the right to severance benefits under this Plan and acknowledged this waiver in writing.

C. Multiple Severance Arrangements

In the event an otherwise eligible employee is covered by an authorized individual written employment, noncompetition or severance agreement that provides for the payment of severance pay, noncompete pay or other termination or post-termination pay, whether in the form of weeks or months of pay or a flat dollar amount, the terms of such other arrangement shall be honored in terms of the time, form and amount of pay, but such other pay (of whatever nature) shall not be duplicative of severance pay under this Plan. In such event, no such duplicate payment shall be made from this Plan. In the event this Plan provides severance pay in excess of the amount payable under such other arrangement (or provides for severance benefits not available under such other arrangement, such as subsidized COBRA continuation benefits), then only the additional severance pay (or benefits) shall be made under the Plan in accordance with the payment schedule otherwise set forth under this Plan. For example, if an employee with twenty (20) years of service is entitled to six (6) months of noncompete pay in a lump sum payment under the terms of an individual employment agreement (but no subsidized COBRA continuation), and is entitled to twelve (12) months of severance pay under this Plan, then such employee shall receive six (6) months of noncompete pay in a lump sum payment in accordance with the terms of the individual employment agreement, and shall receive the remaining six (6) months of severance pay under this Plan beginning with month (7) from the date benefits under this Plan would otherwise begin. Such employee would also be entitled to subsidized COBRA continuation coverage for twelve (12) months under the Plan, as described in Section IV.B. below.

Notwithstanding anything in the Plan to the contrary, in the event the Employer sponsors its own severance plan for some period of time as approved by the Company (which may occur, for example, in the event of an acquisition), this Plan will not supersede such Employer severance plan for such period of time approved by the Company, and the employees who are eligible for such Employer's severance plan for such Company-approved period of time will not be eligible for any benefits under this Plan during such time.

III. CALCULATION OF SEVERANCE PAY

A. Severance Pay

The amount of the severance pay an eligible employee will receive will be based on his or her base salary at the time he or she is notified of termination. Any performance/merit reviews that are pending, in process, or "past due" will not affect the amount of the severance pay. For purposes of calculating "salary" for commission sales representatives, the base salary will be based on the employee's total earnings (salary plus commission) for the twelve-month period preceding the commencement of any severance pay. If the terminating employee's length of service is less than twelve months, severance pay will be based on the terminating employee's pro rata earnings during the

term of employment. For the twelve-month period following the Spin-off Date, the employee's total earnings shall include amounts paid from Danaher Corporation and its affiliates during the twelve-month period preceding the commencement of any severance pay to the extent the employee was previously employed by Danaher Corporation or an affiliate and became an employee of an Employer in connection with the spin-off of the Employers from the Danaher Corporation controlled group.

B. Amount of Severance Pay

Employees are not entitled to any severance pay or benefits under the Plan unless they sign (and do not later revoke) a Separation Agreement and General Release (discussed below).

Eligible employees who sign (and do not later revoke as applicable) a Separation Agreement and General Release within the allotted timeframe shall be entitled to receive severance pay under the Plan equal to a minimum amount of three months of annual base salary, plus one month of annual base salary for each year of service. The maximum amount of severance pay an eligible employee can receive under this Plan is 12 months of annual base salary. Years of service are calculated in full years as of the date of termination based on the eligible employee's most recent date of hire (or rehire) and the eligible employee's most recent anniversary date, as determined by the Employer's personnel records, unless otherwise provided in Section IV.C. To the extent the employee was previously employed by Danaher Corporation or an affiliate and became an employee of an Employer in connection with the spin-off of the Employers from the Danaher Corporation controlled group, for purposes of the Plan, the Employer will recognize years of service as recognized by the Senior Leaders Severance Pay Plan of Danaher Corporation and its Affiliated Companies as of the Spin-off Date.

IV. PROVISIONS APPLICABLE TO SEVERANCE BENEFITS

- A. Method of Severance Payments — Severance payments and subsidized COBRA continuation coverage will be provided only if the Employer receives a signed Separation Agreement and General Release from the eligible employee as provided in Section IV.F. Severance payments to eligible employees shall be paid in accordance with the Employer's customary payroll practices for the Employer's full and partial pay periods until the total severance is paid. Severance pay is subject to any federal, state and local tax deductions and withholding.
- B. COBRA Continuation and Subsidized COBRA — The number of months during which the eligible employee is entitled to severance pay is called the "Severance Period." An employee eligible for severance payments who is enrolled in one or more of the following programs under the Fortive Medical Plan, Dental Plan or Vision Plan ("Fortive Welfare Benefit Plans") shall be given the opportunity to continue enrollment and coverage in such programs:

- * Medical
- * Prescription Drug

* Dental

* Vision

For purposes of medical, prescription drug, dental and vision coverage, the coverage shall be provided under Section 4980B(f) of the Internal Revenue Code (“COBRA”) for the maximum COBRA coverage period available, subject to all conditions and limitations (including payment of premiums) of COBRA. If the eligible employee or one or more covered dependents elects COBRA coverage, he or she shall be solely responsible for paying the full cost of the COBRA coverage (including a two percent administration charge) in the amount and at the time(s) required for as long as, and to the extent that, he or she remains eligible for COBRA coverage, as provided by the COBRA law.

Provided the eligible employee timely signs and returns (and does not revoke when applicable) a Separation Agreement and General Release, the Company shall pay a lump sum payment to the employee equal to the amount the Company would have otherwise contributed toward the employee’s group health, prescription, vision and dental coverage premium as an active employee (“Company COBRA Premium”) for a period of time equal to the Severance Period. Accordingly, the eligible employee shall be receiving COBRA continuation coverage during the Severance Period effectively at the active employee premium contribution rate in effect at the time of the employee’s termination of employment. This lump sum payment shall be subject to standard withholding and payroll deductions.

Enrollment in all other Employer benefits, including the Fortive Disability Plan shall cease on the employee’s last day of work (or on the last day of the calendar month in which the last day of work occurs with respect to the Fortive Life Insurance Plan) and will not remain in effect during the Severance Period. (Note: An eligible employee may be entitled to certain COBRA and reimbursement rights for his or her Health Care Flexible Spending Account. Certain reimbursements from his or her Dependent Care Flexible Spending Account may also be available. Contact Human Resources for details.) Severance pay does not constitute compensation for purposes of any Company or Employer 401(k) Plan or any other plan. All contributions to the Fortive Corporation or Employer 401(k) Plan on behalf of the individual receiving severance under the Plan will cease on the employee’s last day of work and any elections to contribute to that plan will not remain in effect during the Severance Period.

- C. Rehire and Calculation of Years of Service — Severance pay and COBRA coverage will cease upon an eligible employee’s rehire with any Employer. Notwithstanding Section III.B., if an employee becomes eligible for severance benefits under the Plan, but is then rehired within the 12 month period following the employee’s date of employment termination, the eligible employee’s years of service may be based on the eligible employee’s prior hire date, but only as provided in this Section IV.C which requires each year of service is only payable once.

If an employee becomes eligible for severance benefits under the Plan, but is then rehired within the 12 month period following the employee's date of employment termination, and is later separated from service and becomes again eligible for severance benefits under the Plan, the eligible employee's years of service for purposes of calculating severance pay and subsidized COBRA continuation coverage will be calculated based on the eligible employee's date of hire used in calculating the Plan's severance benefits paid out before, provided the employee's years of service is payable only once.

If any employee is separated, paid the maximum amount of severance pay and the maximum payment for subsidized COBRA coverage (as described in Section IV.B above) to which he was entitled under the Plan and is then later rehired, that employee will begin to accumulate years of service for any subsequent severance pay and subsidized COBRA coverage under the Plan only from the date of rehire.

To the extent an employee begins receiving severance pay under the Plan but is rehired before the all of the severance pay has been paid, the severance pay will cease as of the rehire date, and the employee will be credited with the years of service for which he did not receive severance pay for purposes of calculating any subsequent severance pay under the Plan. Because the Company premium contribution for subsidized COBRA coverage is paid up front in a lump sum, rehired employees are expected to reimburse the Company for any Company COBRA premium contribution paid for any years of service being credited to employee upon rehire. (For example, if an eligible employee is entitled to eight (8) months of severance pay for five years of service, but is rehired within the 12 month period following the employee's date of employment termination and after six (6) months of severance has been paid, that employee would not be credited with six (6) years of service as of his rehire date for purposes of calculating any later severance pay that could become payable under the Plan. The employee would be credited with the two (2) years of service for which no severance benefit had been paid. The employee is expected to reimburse the amount of the Company's premium contribution already paid to employee for two months to the Company that paid the COBRA subsidy.)

- D. Vacation — An employee shall receive vacation pay for any earned and unused vacation pay in accordance with the applicable Employer's Vacation Policy then in effect. Vacation benefits are not earned or accrued during the Severance Period.
- E. Mandated Payments — The severance pay available under this Plan is the maximum amount an eligible employee is entitled to receive in the event of involuntary termination of employment. To the extent that a federal, state or local law may mandate the Employer to make a payment to an eligible employee because of involuntary termination of employment or in accordance with a plant closing law, the severance pay available under the Plan shall be reduced by the

amount of such mandated payment. In no event, however, will an eligible employee's severance pay under this Plan be less than three (3) months of severance pay. The period of an eligible employee's subsidized COBRA coverage is reduced in the same way.

- F. Separation Agreement and General Release — To receive any severance pay and subsidized benefits under the Plan, an eligible employee must sign a Separation Agreement and General Release in a form prepared by the Company, and this Separation Agreement and General Release shall have the effect of waiving and releasing all legally waivable claims or lawsuits against the Employer and its affiliates, its and their respective officers, directors, agents, representatives and employees based on any facts occurring prior to the time of the effective date of the release. An eligible employee age 40 and older will have 21 days (45 days in case of a group separation program) to consider and sign the Separation Agreement and General Release. An eligible employee age 39 and younger will have 14 days to consider and sign the Separation Agreement and General Release. Eligible employees are advised of their right to contact an attorney of their choice at their own expense to review the Separation Agreement and General Release if they so desire. The eligible employee must then submit a signed Separation Agreement and General Release to the Plan Administrator (or its delegate) within the time specified.

Notwithstanding the foregoing, if any severance pay under the Plan is subject to Internal Revenue Code Section 409A, the payment of such severance pay will begin no later than 90 days after the date the eligible employee's employment terminates. In the event this 90-day period overlaps two calendar years, the payment of such severance pay will begin in the later calendar year regardless of when the employee signs the Separation Agreement and General Release.

An eligible employee age 40 and older may revoke a signed Separation Agreement and General Release within seven (7) days of signing the Separation Agreement and General Release (within fifteen (15) days for Minnesota employees age 40 and older). An eligible employee age 39 and younger cannot revoke a signed Separation Agreement and General Release. Any revocation by an eligible employee age 40 and older must be made in writing and must be received by the designated Employer representative within such revocation period. An eligible employee who timely revokes the Separation Agreement and General Release shall not be eligible to receive severance pay or continued subsidized COBRA coverage under this Plan. An eligible employee who revokes his or her signature on a Separation Agreement and General Release is required to reimburse the Employer for any severance pay and benefits provided under this Plan prior to the revocation, including severance pay received and COBRA premiums for participation in the Fortive Welfare Benefit Plans. The Employer reserves all remedies available to it at law for the recovery of such amounts.

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- G. Section 409A Restrictions — Notwithstanding anything in this Plan to the contrary, in the event any benefit paid to a participant under the Plan constitutes “deferred compensation” for purposes of Internal Revenue Code Section 409A (“Section 409A”), all payments to such participant shall be paid as provided in this Section. Section 409A places certain restrictions on when severance pay may be distributed if the eligible employee is considered a “specified employee” under Section 409A (generally, “specified employees” are the 50 highest-paid U.S. employees of the Company in a given year) and the severance pay is considered “deferred compensation” under Section 409A. Not all severance pay under this Plan, however, is considered deferred compensation for these purposes.
- (1) Any payments provided under the Plan on or before March 15th of the calendar year following the eligible employee’s “separation of service” (as defined by Section 409A) will be treated as a short-term deferral under Treasury Regulation § 1.409A-1(b)(4) and not deferred compensation under Section 409A.
 - (2) If any payments are provided to an eligible employee under the Plan after March 15th of the calendar year following the eligible employee’s “separation of service” (as defined by Section 409A), then to the extent the total of such payments does not exceed the limit provided under the Section 409A exemption for involuntary separation pay, such payments will be considered separation pay due to involuntary separation from service under Treasury Regulation § 1.409A-1(b)(9)(iii) and not deferred compensation under Section 409A.
 - (3) If the eligible employee is entitled to additional payments under the Plan that are not described in subsections (1) or (2) above, and the eligible employee is considered a “specified employee” under Section 409A (as applied according to Company procedures), such payments will not be made until the earlier of (a) the first day of the seventh month following the date of the eligible employee’s “separation from service” (as defined by Section 409A), or (b) the eligible employee’s death. Any delayed payments will be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following the date of the eligible employee’s “separation from service” (as defined by Section 409A).
 - (4) For purposes of Section 409A, each “payment” (as defined by Section 409A) made under this Plan is considered a “separate payment.”
- H. Death Benefits — In the event an eligible employee dies after severance pay has commenced but before receiving all of the severance pay otherwise payable to the eligible employee under the Plan, the remaining balance of the deceased eligible employee’s severance pay shall be payable to the deceased eligible employee’s then living spouse. If no spouse survives the eligible employee, then the remaining balance will be paid to the deceased eligible employee’s estate. Such payment shall be made in a single lump sum within 30 days of the date of the eligible employee’s death.

V. TERMINATION OR AMENDMENT OF THE PLAN

Eligible employees do not have any vested right to severance pay or benefits under this Plan. The Plan is intended to be a continuing part of the Company's benefits program. However, the Company retains the right to amend the Plan at any time in any and all respects, to terminate the Plan in its entirety, or to exclude participation by the employees of certain Employers, at the Company's sole discretion and without prior consent of the participants. Any such amendment or termination of the Plan shall be effected by a written instrument signed by the Senior Vice President Human Resources of Fortive Corporation, without need of any resolution of the Board of Directors of Fortive Corporation or any Employer.

VI. HOW THE PLAN IS ADMINISTERED

The Company is the "Plan Administrator" of the Plan and the "named fiduciary" within the meaning of such terms as defined in ERISA. The Company has delegated the authority to decide initial claims for benefits under this Plan to the Company's Benefits Committee. The Company has delegated the authority to make final determinations on appeals of denied claims under this Plan to the Senior Vice President Human Resources.

The Plan Administrator or its delegate shall have the discretionary authority to determine eligibility for Plan benefits and to construe the terms of the Plan, including the making of factual determinations. Benefits under the Plan shall be payable only if the Plan Administrator or its delegate determines, in its sole discretion, that an eligible employee is entitled to them. The decisions of the Plan Administrator or its delegate shall be final and conclusive with respect to all questions concerning the administration of the Plan. The Company may, in its sole discretion, provide additional benefits to a Plan participant, or make available additional or other forms of severance pay or benefits.

The Plan Administrator may delegate to other persons responsibilities for performing certain of the duties of the Plan Administrator under the terms of the Plan and may seek expert advice as the Plan Administrator deems reasonably necessary with respect to the Plan. The Plan Administrator shall be entitled to rely upon the information and advice furnished by such persons and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

VII. HOW TO MAKE OR APPEAL A CLAIM

- A. Making a Claim for Severance Benefits — Generally, eligible employees do not need to make a claim for benefits under the Plan to receive Plan benefits (other than completing the Separation Agreement and General Release to obtain severance pay and benefits). However, if an employee believes he is entitled to benefits, or to greater benefits than are paid under the Plan, the employee may file a claim for benefits with the Company's Benefits Committee within 180 days of the date the employee's employment with the Employer terminates. The Benefits Committee will either accept or deny the claim, and will notify the claimant of acceptance or denial of the claim within a reasonable period of time after receipt of the claim by the Benefits Committee.

For purposes of this section, a period of time will be deemed to be unreasonable if it exceeds 90 days after receipt of the claim by the Benefits Committee unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. The extension notice shall indicate the special circumstances requiring an extension of time and the date by which the Benefits Committee expects to render a decision.

The Benefits Committee shall provide to every claimant who is denied a claim for benefits written notice setting forth in a manner calculated to be understood by the claimant:

- (1) the specific reason or reasons for the denial;
- (2) specific reference to pertinent Plan provisions on which the denial is based;
- (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;
- (4) appropriate information as to the steps to be taken if the claimant wishes to submit a claim for review; and
- (5) a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA following a denial of the claim on review.

B. Appealing a Denied Claim — A claimant who does not agree with the decision of the Benefits Committee may appeal to the Senior Vice President Human Resources. A claimant may:

- (1) request a review upon written application;
- (2) receive copies of all documents, records and other information relevant to the claim upon request and free of 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
- (3) submit comments, documents, records and other information relating to the claim, even if the information was not submitted or considered in the initial determination, in writing.

The claimant must file any request for review of a denied claim within 60 days after receipt by the claimant of written notification of denial of a claim.

A decision by the Senior Vice President Human Resources shall be made promptly, and shall not ordinarily be made later than 60 days after the Senior Vice President Human Resources' receipt of a request for review unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. If such an extension of time for review is required because of special circumstances, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension.

The Senior Vice President Human Resources will notify the claimant of its decision in writing. This notice will include specific reasons for the decision, written in a manner to be understood by the claimant, as well as specific references to the pertinent plan provisions on which the decision is based. If the claim is denied, the notice will also include a statement that the claimant is entitled to receive, upon request and free of charge, copies of all documents, records or other information relevant to the claim and a statement of the claimant's right to bring a civil action under Section 502(a) of ERISA. Such civil action must be filed, however, within 180 days after the appeal is denied.

VIII. OTHER PLAN PROVISIONS

- A. No Assignment – Severance pay payable under the Plan shall not be subject to alienation, pledge, sale, transfer, assignment, attachment, execution or encumbrance or any kind and any attempt to do so shall be void, except as required by law.
- B. Recovery of Payments/Benefits Provided By Mistake – An eligible employee shall be required to return to the Employer any severance pay or Company COBRA Premium contributions, or portion thereof, made by a mistake of fact or law, or contrary to the terms of the Plan (for example, an Employer erroneously pays an eligible employee severance pay in excess of the amount provided by this Plan), and the Employer shall have all remedies available at law for the recovery of such amounts.
- C. No Representations Contrary to the Plan – No supervisor, manager, employee, officer, or director of the Employer has the authority to alter, vary or modify the terms of the Plan, other than through authorized written amendment as provided in Section V. No verbal or written representations contrary to the terms of the Plan and its written amendments shall be binding upon the Plan, the Plan Administrator or the Employer.
- D. Plan Funding – No eligible employee shall acquire by reason of the Plan any right in or title to any assets, funds, or property of the Employer. Any severance benefits which become payable under the Plan are unfunded obligations of the Employer and shall be paid from the general assets of the Employer. No employee, officer, director or agent of the Employer guarantees in any manner the payment of Plan severance benefits.

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- E. Severability – If a provision of the Plan is found, held or deemed by the Plan Administrator or a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, the provision shall be severed from the Plan and the remainder of the Plan shall continue in full force and effect.
- F. Return of Employer Property – Except as otherwise permitted by the Employer in writing, all Employer property (i.e., keys, credit cards, documents and records, identification cards, computers and business equipment, car/mobile telephones, parking stickers, etc.) must be returned by an eligible employee as of his or her date of termination of employment from the Employer in order for the eligible employee to commence receiving severance pay and benefits under the Plan.

IX. ERISA RIGHTS

Participants in the Plan are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (“ERISA”). ERISA provides that all Plan participants shall be entitled to:

Receive Information About the Plan and Benefits

- Examine, without charge, at the Plan Administrator’s office, all documents governing the Plan, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, copies of the latest annual report (Form 5500 Series) and an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan’s annual financial report (if any). The Plan Administrator may be required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions of Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the Employer or any other person, may fire or otherwise discriminate against a Plan participant under the Plan or prevent the participant from obtaining a Plan benefit or exercising a right under ERISA.

Enforcing Rights

If the claim for a Plan benefit is denied or ignored, in whole or in part, a participant has a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps a participant can take to enforce the above rights. For instance, if the participant requests a copy of the Plan documents or the latest annual report from the Plan Administrator and does not receive them within 30 days, the participant may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay the participant up to \$110 a day until the participant receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If the participant has a claim for benefits which is denied after exhaustion of the appeal process, or is ignored, in whole or in part, the participant may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if a participant is discriminated against for asserting the participant's rights, the participant may seek assistance from the U.S. Department of Labor, or file suit in a federal court. The court will decide who should pay court costs and legal fees. If the participant is successful, the court may order the person the participant sued to pay these costs and fees. If the participant loses, the court may order the participant to pay these costs and fees, for example, if it finds the claim is frivolous.

Assistance with Questions

If a participant has any questions about the Plan, the participant should contact the Plan Administrator. If a participant has any questions about this statement or about rights under ERISA, or if needs assistance in obtaining documents from the Plan Administrator, the participant should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in the telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. Participants may also obtain certain publications about participant rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

X. GENERAL INFORMATION

Plan Name: The Fortive Senior Leaders Severance Pay Plan component of the Fortive Severance Plan

Type of Plan: The Plan is an unfunded severance pay plan, which is a welfare benefit plan under ERISA

Plan Number: 530

Plan Sponsor: Fortive Corporation
6920 Seaway Blvd
Everett WA 98203
Telephone: (425) 446-5000

Plan Sponsor's Employer Identification Number: 47-5654583

Plan Administrator – Initial Claims: Fortive Corporation
Attention: Benefits Committee
c/o Vice President – Benefits
6920 Seaway Blvd
Everett WA 98203
Telephone: (425) 446-5000

Plan Administrator – Appeals: Fortive Corporation
Attention: Senior Vice President
Human Resources
6920 Seaway Blvd
Everett WA 98203
Telephone: (425) 446-5000

Agent for Service of Legal Process: Fortive Corporation
Legal Department
Attention: General Counsel
6920 Seaway Blvd
Everett WA 98203
Telephone: (425) 446-5000

Plan Year: The first plan year is a short plan year reflecting the period from the Spin-off Date (expected to be on or about July 2, 2016) through December 31, 2016. Subsequent plan years are the calendar year.

FORTIVE
EXECUTIVE DEFERRED INCENTIVE PLAN
EFFECTIVE MAY 31, 2016

FORTIVE

EXECUTIVE DEFERRED INCENTIVE PLAN

WHEREAS, the Danaher Corporation sponsors the Danaher Corporation & Subsidiaries Executive Deferred Incentive Program (the "Danaher EDIP") by offering deferred compensation to a select group of management and highly compensated employees of Danaher Corporation and its subsidiaries;

WHEREAS, FTV Employment Services LLC and certain other subsidiaries of Danaher are intended to spin-off into a separate, unrelated company.

WHEREAS, this Fortive Executive Deferred Incentive Plan is established to offer deferred compensation to a select group of management and highly compensated employees of FTV Employment Services LLC and those other companies that are intended to spin-off into a separate unrelated company (the "Fortive Employees").

WHEREAS, this Plan is intended to be established as of the close of the New York Stock Exchange on May 31, 2016, at which time the Fortive Employees are intended to transfer participation into this Plan from the Danaher EDIP, and any such deferral election and distribution election under the Danaher EDIP for the transferred participants will continue in effect immediately prior to the transfer will also apply to the Plan.

WHEREAS, the benefits due to Fortive Employees under the Danaher EDIP will transfer to the Plan as of the close of the New York Stock Exchange on May 31, 2016, and become an obligation under the Plan, and no further obligation would be due under the Danaher EDIP.

NOW, THEREFORE, in order to accomplish such purpose, the Plan Sponsor has adopted, by appropriate resolutions, this Plan effective as of the close of the New York Stock Exchange on May 31, 2016. It is intended that this Plan, together with any 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, and shall comply with Code Section 409A (except for such amounts which are grandfathered from the requirements of 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 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 3.3 and any dollar amounts calculated and credited pursuant to Section 3.3.

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 Employer's bonus program.

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 3.2.

1.8 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.

1.9 Code. The Internal Revenue Code of 1986, as it may be amended from time to time.

1.10 Common Stock. For the period prior to the Spin-off Date, Common Stock shall refer to the common stock of Danaher Corporation. For the period on and after the Spin-off Date, Common Stock shall refer to the common stock of Fortive Corporation.

1.11 Common Stock Price. With respect to a specified date as of which the price of shares of Common Stock shall be determined, the closing price on the New York Stock Exchange of one (1) share of Common Stock on the business day last preceding the specified date. Solely for purposes of documenting administrative practice under the terms of the Plan, in determining the Common Stock Price under this Section 1.11 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. For purposes of determining the Common Stock Price immediately after the Spin-off Date, the terms in Appendix C shall apply.

1.12 Cycle Beginning Date. With respect to a Performance Cycle, the first (1st) day of the Performance Cycle.

1.13 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.

1.14 Danaher EDIP. The Danaher Corporation & Subsidiaries Executive Deferred Incentive Program. Certain benefits of Participants were transferred from the Danaher EDIP to this Plan, and are subject to those terms as provided in Appendix C.

1.15 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.

1.16 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 3.5 as of such Eligibility Termination Date).

1.17 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.

1.18 Distribution Date. With respect to a Participant or a deceased Participant whose Employment Termination Date has occurred, the date as of which the Distributable 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 shall be paid to the Participant.

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

1.20 Earnings Credit. With respect to a Participant, a nominal amount determined pursuant to Sections 3.2(f), 3.3(d), 3.4(b), and 3.5(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 3.2(f), 3.3(d), 3.4(b), and 3.5(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.

1.21 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 3.2, 3.3, 3.4, and 3.5 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.

1.22 Effective Date. The close of the New York Stock Exchange on May 31, 2016.

1.23 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.

1.24 Eligible Employee. (a) An Employee who was hired on or before May 31, 2016, and who is an Initial Participant, (b) an Employee who was hired after May 31, 2016, and whose employment position is listed in the records prepared and maintained by the Administrator, or (c) effective on and after May 31, 2016, 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 May 31, 2016, 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.

1.25 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 1.24(b).

1.26 Employee. An Employee is an individual who performs services for an Employer.

1.27 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.

1.28 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).

1.29 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 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 of each calendar year thereafter.

1.31 Initial Participant. An Employee who was a participant in the Danaher EDIP and who became a Participant as of the close of the New York Stock Exchange on May 31, 2016, 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.

1.34 Notional Share. One (1) notional share equivalent in value to one (1) share of Common Stock.

1.35 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.

1.36 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.

1.37 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.

1.38 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.

1.39 Participant. A Participant is an Eligible Employee or former Eligible Employee who is participating in this Plan pursuant to Article II.

1.40 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.

1.41 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.

1.42 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.

1.43 Performance Share. One (1) Notional Share.

1.44 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.

1.45 Plan. Fortive Executive Deferred Incentive Plan, as it is set forth herein and as it may be amended from time to time.

1.46 Plan Sponsor. The Plan Sponsor is FTV Employment Services LLC, and its successors or assigns; provided that the Plan Sponsor shall become Fortive Corporation, and its successors and assigns on the Spin-off Date.

1.47 Plan Year. The Plan Year is the calendar year. For 2016, the initial Plan Year shall be from the close of the New York Stock Exchange on May 31 through December 31.

1.48 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.

1.49 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 3.4 of this Plan.

1.50 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.

1.51 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, 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 1.51 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.

1.52 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 3.2.

1.53 Salary Deferral Contribution. The term “Salary Deferral Contribution” shall be defined in this Plan as it shall be defined in the 401(k) Plan.

1.54 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 3.3(e)(iii) of the Plan, and any earnings credited thereto and any losses deducted therefrom on or after January 1, 2005 in accordance with the terms of the Plan; and (2) any and all Benefit Amounts, Bonus Deferral Amounts, Salary Deferral Amounts, Performance Shares, and Rollover Amounts that in accordance with the terms of the Plan are credited on the Participant’s behalf on and after January 1, 2005, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan (as well as any Distribution Amounts attributable to the amounts described in this subsection (2)). Any Rollover Amount credited on behalf of a Rollover Participant on or after January 1, 2005 shall be not deemed to be a Section 409A Amount to the extent expressly provided in connection with any merger or consolidation of a nonqualified deferred compensation plan (as defined in Code Section 409A) with and into this Plan. A Participant’s Section 409A Amounts attributable to Plan Years commencing on or after January 1, 2013 shall be determined on the basis of Class Year, and with respect to each Class Year, the aggregate of his or her Salary Deferral Amount (if any), Bonus Deferral Amount (if any), and Benefit Amount (if any) for each Class Year, and any earnings credited thereto and any losses deducted therefrom in accordance with the terms of the Plan, shall be deemed a separate Section 409A Amount for purposes of this Plan.

1.55 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.

1.56 Spin-off Date. The date that the Employers leave the Danaher Corporation controlled group.

1.57 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 Employer’s bonus program applicable to such Participant as from time to time in effect.

1.58 Target Compensation. With respect to a Participant for a Performance Cycle, the sum of (a) the Participant’s annual base salary for the first (1st) Plan Year in the Performance Cycle or, if later, the Plan Year in the Performance Cycle during which the Participant’s Participation Date occurs and (b) the Participant’s Target Bonus for the same such Plan Year. Effective January 1, 2004, with respect to a Participant for a Performance Cycle, the sum of (a) the Participant’s annual base salary for the Performance Cycle and (b) the Participant’s Target Bonus for the same such Performance Cycle.

1.59 Trust Agreement. Trust Agreement for the Fortive Executive Deferred Incentive Plan, if any, as it may be amended from time to time.

1.60 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. 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.

1.61 Valuation Period. A period beginning on a Valuation Date and ending on the day before the next succeeding Valuation Date.

1.62 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 3.3 or 5.9 or the Trust Agreement.

1.63 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 January 1st commencing with or next following 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 1.24(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.

1.64 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 1.24(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.

1.65 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.

1.66 401(k) Plan. The Fortive Retirement 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 May 31, 2016, 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 May 31, 2016, or the date that the individual became an Eligible Employee; provided that the Eligible Employee completes an enrollment form (in electronic or paper form as determined by the Administrator) and files it with the Administrator within the time period specified by the Administrator. For Initial Participants, applicable elections from the Danaher EDIP will continue to apply to such Participant's compensation in 2016 and accounts as provided in Appendix C.

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 3.5 as of such date) equals zero (0).

(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 3.5 as of his or her Eligibility Termination Date) equals zero (0).

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 the Cycle Beginning Date (but subsequent to any zeroing of such account pursuant to Section 3.3) with a number of Performance Shares equal to the quotient (rounded to the nearer whole number) of (A) the Participant's Eligible Compensation and (B) the Common Stock Price as of the Cycle Beginning Date.

(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 to the nearer whole number) of (A) the Participant's Eligible Compensation and (B) the Common Stock Price as of the Participant's Participation 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 Deferral Accounts.

(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 (in whole dollars) 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, and Appendix C, 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) the Participant's Participation Date, or (II) the date that the Participant files the properly completed enrollment form with the Administrator.

(ii) Subsequent Opportunities to Defer.

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

(B) Salary Deferral Amounts. The Participant may elect to have Salary Deferral Amounts deferred on his or her behalf with respect to the Participant's Salary for a Plan Year subsequent to the Plan Year in which the Participant's Participation Date occurs by properly completing an election form and filing the form with the Administrator prior to the first (1st) day of such subsequent Plan Year. Such election shall be effective for Payroll Periods during the respective Plan Year beginning as soon as administratively possible on or after the first (1st) day of the Plan Year.

(iii) No Revocations. A Participant may not, at any time, revoke a previous election with respect to a Bonus Deferral Amount or Salary Deferral Amounts.

(iv) Termination of Election. A Participant's election concerning a Bonus Deferral Amount or Salary Deferral Amounts shall terminate on the earlier of (A) the date as of which the last amount or the only amount, as applicable, designated to be withheld under such election shall be withheld or (B) the Participant's Eligibility Termination Date.

(c) Withholding by Employer.

(i) Bonus Deferral Amounts. The Employer of a Participant who has in effect an election with respect to a Bonus Deferral Amount pursuant to Subsection (b) above shall withhold the designated Bonus Deferral Amount from the Participant's Bonus and shall notify the Administrator that such amount was withheld as soon as administratively possible after the withholding thereof.

(ii) Salary Deferral Amounts. The Employer of a Participant who has in effect an election with respect to Salary Deferral Amounts pursuant to Subsection (b) above for a Payroll Period shall withhold the designated Salary Deferral Amount from the Participant's Salary for the Payroll Period and shall notify the Administrator that such amount was withheld as soon as administratively possible after the withholding thereof; provided, however, that, after the first such notice by the Employer to the Administrator, the Employer shall only notify the Administrator of any change in the withholding of Salary Deferral Amounts.

(d) Crediting of Deferral Amounts. As soon as administratively possible after the Administrator shall have received notice (or shall be deemed to have received notice pursuant to Subsection (c)(ii) above) that a Bonus Deferral Amount or a Salary Deferral Amount has been withheld on behalf of a Participant, the Administrator shall credit the Participant's Deferral Account by such amount.

(e) Crediting of Additional Amounts.

(i) In General. For 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 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:

- Year;
- (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 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 election and filing it with the Administrator. A Participant who has filed an investment option election 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 election and filing the election 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 election 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 earlier of the April 30, July 31, October 31, or January 31 immediately following the date such amounts were deferred, and during the period from the date of deferral until such April 30, July 31, October 31, or January 31, as applicable, the investment options and Earnings Crediting Rate that shall apply to such deferred amounts shall be the fixed income fund investment option, or such other investment option as the Administrator shall determine.

The Administrator shall adopt and may amend procedures to be followed by Participants in electing Earnings Crediting Rate(s) and, pursuant thereto, the Administrator may, among other actions, format investment option forms and establish deadlines for elections.

(ii) No Election. The Administrator shall from time to time designate a fixed income fund or other investment option that shall be used to establish the Earnings Crediting Rate that shall apply to the Deferral Account of any Participant who has not made an investment option election pursuant to Subparagraph (i) above.

(iii) Earnings Credits. As of each Valuation Date, the Administrator shall determine the Earnings Credit applicable to the Deferral Account of each Participant for the Valuation Period ending on the Valuation Date (or the portion thereof during which the Deferral Account was maintained): (i) if only one (1) Earnings Crediting Rate shall have applied to the Deferral Account pursuant to Subsection (i) above, the Earnings Credit shall equal (A) the Earnings Crediting Rate (on an annual basis) times (B) the balance in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365; and (ii) if more than one (1) Earnings Crediting Rate shall have applied to the Deferral Account pursuant to Subsection (i) above, as applicable, the Earnings Credit shall equal the sum of each amount determined as (A) the Earnings Crediting Rate (on an annual basis) times (B) the portion of the balance in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established to which such rate applied times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365.

(iv) Accounting. As of each Valuation Date, the balance in each Deferral Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

- (A) The balance (if any) in the Deferral Account as of the later of the last preceding Valuation Date or the date as of which the Deferral Account was established; plus
- (B) Any amounts credited to the Deferral Account pursuant to Sections 3.2(d) and 3.2(e) of this Plan during the Valuation Period ending on the Valuation Date; plus
- (C) Any positive Earnings Credit determined for the Deferral Account pursuant to Section 3.2(f)(iii) of this Plan during the Valuation Period ending on the Valuation Date; less
- (D) Any negative Earnings Credit determined for the Deferral Account pursuant to Section 3.2(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.

3.3 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 each Cycle Beginning Date 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).

(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 3.3(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 3.3(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 3.3(d)(i) and 3.3(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 3.3(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.

(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.

(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, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be determined as follows:

| VESTING YEARS OF PARTICIPATION | VESTING PERCENTAGE |
|---------------------------------|--------------------|
| Less than 5 years | 0 |
| 5 years but less than 6 years | 10% |
| 6 years but less than 7 years | 20% |
| 7 years but less than 8 years | 30% |
| 8 years but less than 9 years | 40% |
| 9 years but less than 10 years | 50% |
| 10 years but less than 11 years | 60% |
| 11 years but less than 12 years | 70% |
| 12 years but less than 13 years | 80% |
| 13 years but less than 14 years | 90% |
| 14 years or more | 100% |

(B) Vesting at Death. If the Participant has died, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon shall be one hundred percent (100%).

(C) Partial Vesting for Initial Participants. If the Participant is an Initial Participant and neither Subparagraph (A)(1) nor Subparagraph (B) above applies to the Participant, the Participant's Vesting Percentage applicable to the Benefit Amounts including Performance Shares and any earnings thereon that correlate with the Benefit Amounts previously credited for the Performance Cycle beginning on March 1, 1995 shall be sixty-six and two-thirds percent (66-2/3%); provided, however, that an Initial Participant's Vesting Percentage may increase based upon his or her Vesting Years of Participation pursuant to Subparagraph (A)(2) above (e.g., after completion of five (5) Years of Participation and seven (7) Vesting Years of Participation, an Initial Participant's Vesting Percentage will be seventy percent (70%)).

(D) No Vesting. Except as otherwise provided in Subparagraph (A), (B), or (C) above, the Participant's Vesting Percentage applicable to each such Benefit Amount including Performance Shares plus any such earnings thereon shall be zero percent (0%).

(E) Gross Misconduct Exception to Vesting. Notwithstanding Subparagraph (A), (B) or (C) above, if the Administrator determines, in his or her sole discretion, that the circumstances of and/or surrounding the Participant's ceasing to be an Eligible Employee constitute gross misconduct on the part of the Participant, the Administrator may, in his or her sole discretion, determine that the Participant's Vesting Percentage applicable to the Benefit Amounts and the Performance Shares and earnings thereon shall be zero percent (0%).

(iv) Forfeiture and Reduction of Benefit Account. If the Administrator determines pursuant to Paragraph (ii) 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 3.3(d).

3.4 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 election and filing it with the Administrator. A Rollover Participant who has filed an investment option election 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 election and filing the election 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, 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 election with the Administrator or otherwise notifies the Administrator of his or her election, and each investment election shall continue in effect until the effective date of a subsequent investment election properly made.

The Administrator shall adopt and may amend procedures to be followed by Rollover Participants in electing Earnings Crediting Rate(s) and, pursuant thereto, the Administrator may, among other actions, format investment option forms and establish deadlines for elections.

(ii) No Election. The Administrator shall from time to time designate a fixed income fund or other investment option that shall be used to establish the Earnings Crediting Rate that shall apply to the Rollover Account of any Rollover Participant who has not made an investment option election pursuant to Subparagraph (i) above.

(iii) Earnings Credits. As of each Valuation Date, the Administrator shall determine the Earnings Credit applicable to the Rollover Account of each Rollover Participant for the Valuation Period ending on the Valuation Date (or the portion thereof during which the Rollover Account was maintained): (i) if only one (1) Earnings Crediting Rate shall have applied to the Rollover Account pursuant to Subsection (i) above, the Earnings Credit shall equal (A) the Earnings Crediting Rate (on an annual basis) times (B) the balance in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365; and (ii) if more than one (1) Earnings Crediting Rate shall have applied to the Rollover Account pursuant to Subsection (i) above, as applicable, the Earnings Credit shall equal the sum of each amount determined as (A) the Earnings Crediting Rate (on an annual basis) times (B) the portion of the balance in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established to which such rate applied times (C) the days in the Valuation Period (or portion thereof) divided by (D) 365.

(iv) Accounting. As of each Valuation Date, the balance in each Rollover Account maintained as of the Valuation Date shall be determined as the amount calculated in accordance with the following:

(A) The balance (if any) in the Rollover Account as of the later of the last preceding Valuation Date or the date as of which the Rollover Account was established; plus

(B) Any positive Earnings Credit determined for the Rollover Account pursuant to Section 3.4(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 3.4(b)(iii) during the Valuation Period ending on the Valuation Date.

3.5 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 3.2(f), 3.3(d), 3.3(e), and 3.4(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 3.3(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 3.3(d)(i) of this Plan.

(ii) Prior Deferral Account and Rollover Account Balances. With respect to the portion of a Participant's Distribution Account previously transferred from his or her Deferral Account and/or Rollover Account and not consisting of Performance Shares, the Administrator shall take the following actions during the period beginning on a Participant's Eligibility Termination Date and ending on the Participant's Employment Termination Date:

(A) Accounting on Valuation Dates. As of each Valuation Date during the aforementioned period, the Administrator shall credit earnings (if any) to such portion of the Participant's Distribution Account in accordance with the methodology set forth under Section 3.2(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 3.2(f)(iii) and/or 3.4(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 and Appendix C, 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 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 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

(B) 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 in shares of Common Stock and the value of any fractional shares shall be paid in cash.

(i) With respect to the portion of the Distributable Amount not represented by Performance Shares, as the quotient (rounded to two decimal places) of (A) such portion of the Distributable Amount and (B) the Common Stock Price as of the Participant's Employment Termination Date.

(ii) With respect to the portion of the Distributable Amount represented by Performance Shares, as the product of (A) the number of Performance Shares and (B) the Common Stock Price as of the Participant's Employment Termination Date.

(e) Payment of Installment Distributions. Subject to Section 9.2(d) with respect to a Section 409A Amount, after the Distribution Date of a Participant who shall receive installment distributions of the Distributable Amount, each subsequent installment distribution that shall be due shall be paid to the Participant as of the next succeeding anniversary of the Participant's Employment Termination Date; provided, however, that, in the event of the death of the Participant before all such installment distributions shall be made, all or part, as applicable, of the total of the remaining installment distributions shall be paid as of the next succeeding anniversary of the Participant's Employment Termination Date to the Participant's Beneficiary or each of his or her Beneficiaries, as applicable; provided, however, that if the Participant elected to receive the Distributable Amount in the form of annual installments and the Participant dies prior to receiving all of such annual

installments, the Administrator may, in his or her sole discretion, allow the Beneficiary of the deceased Participant to continue receiving installment payments rather than receiving such remaining payments as a lump sum except as otherwise provided in Section 9.3 with respect to any Section 409A Amounts.

(f) Administrative Matters. Subject to Section 8.5, the Administrator may, in his or her sole discretion, delay the Distribution Date for the benefits payable to or on behalf of a Participant to the extent necessary to determine the benefits properly.

4.3 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 (in paper or electronic format) on which he or she may designate (a) one or more Beneficiaries who shall receive all or a portion of the Distributable Amount upon the Participant’s death, including any Beneficiary who shall receive any such amount only in the event of the death of another Beneficiary; and (b) the percentages to be paid to each such Beneficiary (if there is more than one). A Participant may change his or her or her Beneficiary designation from time to time by filing a new form with the

Administrator. No such Beneficiary designation shall be effective unless and until the Participant has properly filed the completed form with the Administrator, and a Beneficiary designation form that designates the spouse of a Participant as his Beneficiary (whether or not any other Beneficiary is also designated) shall be void with respect to the designation of the spouse upon the divorce of the Participant and the spouse with the result that the Participant's former spouse shall not be a Beneficiary unless the Participant files a new form with the Administrator and designates his or her former spouse as a Beneficiary.

If a deceased Participant is not survived by a designated Beneficiary or if no Beneficiary was effectively designated, upon the Participant's death, any benefit to which the Participant was then entitled shall be paid in a lump-sum distribution in cash to the Participant's spouse and, if there is no spouse, to the Participant's estate. If a designated Beneficiary is living at the death of the Participant but dies before receiving any or all of the benefit to which the Beneficiary was entitled, such benefit or the remaining portion of such benefit shall be paid in a lump-sum distribution in cash to the estate of the deceased Beneficiary.

ARTICLE V

CLAIMS AND ADMINISTRATION

5.1 Applications. A Participant or the Beneficiary of a deceased Participant who is or may be entitled to benefits under this Plan shall apply for such benefits in writing if and as required by the Administrator, in his or her sole discretion.

5.2 Information and Proof. A Participant or the Beneficiary of a deceased Participant shall furnish all information and proof required by the Administrator for the determination of any issue arising under the Plan including, but not limited to, proof of marriage to a Participant or a certified copy of the death certificate of a Participant. The failure by a Participant or the Beneficiary of a deceased Participant to furnish such information or proof promptly and in good faith, or the furnishing of false or fraudulent information or proof by the Participant or Beneficiary, shall be sufficient reason for the denial, suspension, or discontinuance of benefits thereto and the recovery of any benefits paid in reliance thereon.

5.3 Notice of Address Change. Each Participant and any Beneficiary of a deceased Participant who is or may be entitled to benefits under this Plan shall notify the Administrator in writing of any change of his or her address.

5.4 Claims Procedure.

(a) Claim Denial. The Administrator shall provide adequate notice in writing to any Participant or Beneficiary of a deceased Participant whose application for benefits, made in accordance with Section 5.1 of this Plan, has been wholly or partially denied. Such notice shall include the reason(s) for denial, including references, when appropriate, to specific Plan or Trust Agreement provisions; a description of any additional information necessary for the claimant to perfect the claim, if applicable and an explanation of why such information is necessary; and a description of the claimant's right to appeal under Subsection (b) below.

The Administrator shall furnish such notice of a claim denial within ninety (90) days after the date that the Administrator received the claim. If special circumstances require an extension of time for deciding a claim, the Administrator shall notify the claimant in writing thereof within such ninety (90)-day period and shall specify the date a decision on the claim shall be made, which shall not be more than one hundred eighty (180) days after the date that the Administrator received the claim. Then, the Administrator shall furnish any denial notice on the claim by the later date so specified.

(b) Appeal Procedure. A claimant or his or her duly authorized representative shall have the right to file a written request for review of a claim denial within sixty (60) days after receipt of the denial, to review pertinent documents, records and other information relevant to his or her claim without charge (including items used in the determination, even if not relied upon in making the final determination and items demonstrating consistent application and compliance with this Plan's administrative processes and safeguards), and to submit comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination.

(c) Decision Upon Appeal. In considering an appeal made in accordance with Subsection (b) above, the Administrator shall review and consider any written comments, documents, records, and other information relating to the claim, even if the information was not submitted or considered in the initial determination by the claimant or his or her duly authorized representative. The claimant or his or her representative shall not be entitled to appear in person before any representative of the Administrator.

The Administrator shall issue a written decision on an appeal within sixty (60) days after the date the Administrator receives the appeal together with any written comments relating thereto. If special circumstances require an extension of time for a decision on an appeal, the Administrator shall notify the claimant in writing thereof within such sixty (60)-day period. Then, the Administrator shall furnish a written decision on the appeal as soon as possible but no later than one hundred twenty (120) days after the date that the Administrator received the appeal. The decision on the appeal shall be written in a manner calculated to be understood by the claimant and shall include specific references to the pertinent Plan provisions on which the decision is based. If the claimant loses on appeal, the decision shall include the following information provided in a manner calculated to be understood by the claimant: (1) the specific reason(s) for the adverse determination; (2) reference to the specific Plan provisions on which the determination is based; (3) a statement of the claimant's right to receive at no cost information and copies of documents relevant to the claim, even if such information was not relied upon in making determinations; and (4) a statement of the claimant's rights to sue under ERISA.

5.5 Status, Responsibilities, Authority and Immunity of Administrator

(a) Appointment and Status of Administrator. The Plan Sponsor shall appoint the Administrator. The Plan Sponsor may remove the Administrator and appoint another Administrator or, if the Administrator is a committee, the Plan Sponsor may remove any or all members of the committee and appoint new members. The Administrator shall be the "administrator" of the Plan, as such term shall be defined in Section 3(16)(A) of ERISA.

(b) Responsibilities and Discretionary Authority. The Administrator shall have absolute and exclusive discretion to manage the Plan and to determine all issues and questions arising in the administration, interpretation, and application of the Plan and the Trust Agreement, including, but not limited to, issues and questions relating to a Participant's eligibility for Plan benefits and to the nature, amount, conditions, and duration of any Plan benefits. Furthermore, the Administrator shall have absolute and exclusive discretion to formulate and to adopt any and all standards for use in calculations required in connection with the Plan and rules, regulations, and procedures that he or she deems necessary or desirable to effectuate the terms of the Plan; provided, however, that the Administrator shall not adopt a rule, regulation, or procedure that shall conflict with this Plan or the Trust Agreement. Subject to the terms of any applicable contract or agreement, any interpretation or application of this Plan or the Trust Agreement by the Administrator, or any rules, regulations, and procedures duly adopted by the Administrator, shall be final and binding upon Employees, Participants, Beneficiaries, and any and all other persons dealing with the Plan.

(c) Delegation of Authority and Reliance on Agents. The Administrator may, in his or her discretion, allocate ministerial duties and responsibilities for the operation and administration of the Plan to one or more persons, who may or may not be Employees, and employ or retain one or more persons, including accountants and attorneys, to render advice with regard to any responsibility of the Administrator.

(d) Reliance on Documents. The Administrator shall incur no liability in relying or in acting upon any instrument, application, notice, request, letter, or other paper or document believed by the Administrator to be genuine, to contain a true statement of facts, and to have been executed or sent by the proper person.

(e) Immunity and Indemnification of Administrator. The Administrator shall not be liable for any of his or her acts or omissions, or the acts or omissions of any employee or agent authorized or retained pursuant to Subsection (c) above by the Administrator, except any act of the Administrator or any such person as constitutes gross negligence or willful misconduct. The Plan Sponsor shall indemnify the Administrator, to the fullest extent permitted by law, if the Administrator is ever made a party or is threatened to be made a party to any threatened, pending, or completed action, suit, claim, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action by or in the right of the Plan Sponsor), by reason of the fact that the Administrator is or was, or relating to the Administrator's actions as, the Administrator, against any expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement that the Administrator incurs as a result of, or in connection with, such action, suit, claim, or proceeding, provided that the Administrator had no reasonable cause to believe that his or her conduct was unlawful.

5.6 Enrollment, Deferral Election and Other Procedures. The Administrator shall adopt and may amend procedures to be followed by Eligible Employees and Participants in electing to participate in this Plan, in electing to have Bonus Deferral Amounts and Salary Deferral Amounts made on their behalf, in selecting a form of distribution of any Distributable Amount, and in taking any other actions required thereby under this Plan. Notwithstanding the foregoing sentence, any enrollment, deferral election and other procedures relating to Section 409A Amounts shall be subject to the provisions of Article IX of the Plan.

5.7 Correction of Prior Incorrect Allocations. Notwithstanding any other provisions of this Plan, in the event that an adjustment to a Performance Shares Account, Benefit Account, Deferral Account, 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. The aggregate number of shares of Common Stock that may be issued to satisfy the obligations under the Plan shall not exceed two million (2,000,000) shares of Common Stock. The Common Stock may come from treasury shares, authorized but unissued shares, or previously issued shares that the applicable company reacquires, including shares it purchases on the open market. Subject to the terms of Appendix C, in the event of a nonreciprocal transaction between the company issuing Common Stock 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, and subject to the terms in Appendix C, in the event of such a nonreciprocal transaction between the company 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, 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, 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, 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 3.3 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 District of Columbia 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, determined as of the Participant's Employment Termination Date. 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. The time of distribution so elected by a Participant shall be subject to the restriction in Section 4.1(a)(ii) (C) of the Plan determined as of the Participant's Employment Termination Date.

If pursuant to the terms of the Plan a Section 409A Amount is to be distributed in installments, the second installment of the Section 409A Amount shall be made on January 15 of the calendar year following the date of payment of the initial installment, and each subsequent installment thereafter (if any) shall be made on each January 15 thereafter until all installment payments of a Section 409A Amount have been paid to the Participant. In the avoidance of doubt, the amount of each installment payment of a Section 409A Amount shall equal the quotient of (i) the total Section 409A Amount to be distributed, divided by (ii) the number of installment payments remaining in the applicable period of annual installments.

(e) Subsequent Changes in Time of Payment and Form of Distribution. With respect to a Section 409A Amount, a Participant may elect to delay a payment of the Section 409A or to change the form of distribution of the Section 409A Amount provided that the following conditions are met:

(i) Any election under this Section 9.2(e) shall not take effect until a date that is at least twelve (12) months after the date on which the election is made.

(ii) The payment with respect to which an election under this Section 9.2(e) is made shall be deferred for a period of not less than five (5) years from the date such payment would otherwise have been paid.

(iii) Any election under this Section 9.2(e) shall be made on a date that is not less than twelve (12) months prior to the date the payment is originally scheduled to be made.

(f) Permitted Payment Delays. Notwithstanding Section 8.5 of the Plan and in addition to the foregoing provisions of this Section 9.2, a payment of a Section 409A Amount to a Participant may be delayed to a date after the designated payment date under either of the following two circumstances:

(i) Where the Plan Sponsor reasonably anticipates that an Employer's deduction with respect to the payment of a Section 409A Amount would otherwise be limited or eliminated by application of Code Section 162(m); provided, however, that such payment shall be made to the Participant (i) during the Participant's first taxable year in which the Plan Sponsor reasonably anticipates that the deduction of such payment will not be limited or eliminated by the application of Code Section 162(m), or, if later, (ii) during the period beginning with the Participant's Employment Termination Date and ending on the later of (A) the last day of the taxable year of the Plan Sponsor in which the Participant's Employment Termination Date occurs or (B) the fifteenth (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 4.3 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.

(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 1.54, 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.

IN WITNESS WHEREOF, the Plan Sponsor has caused this amended and restated Plan to be executed by its duly authorized officer as of the last date signed by the officer as set forth below.

PLAN SPONSOR:

FTV EMPLOYMENT SERVICES LLC

By: _____
Frank T. McFaden

Date: _____

APPENDIX A

APPLICABLE PERCENTAGE

I. EFFECTIVE PRIOR TO JANUARY 1, 2004:

| <u>TARGET COMPENSATION</u> | <u>AGE OF PARTICIPANT</u> | |
|------------------------------------|---------------------------|--------------------|
| | <u>Under 40</u> | <u>40 and Over</u> |
| Less than \$150,000 | 3.5% | 4.5% |
| Greater than or equal to \$150,000 | 5.5% | 6.5% |

II. EFFECTIVE ON AND AFTER JANUARY 1, 2004:

| <u>YEARS OF PARTICIPATION</u> | <u>APPLICABLE PERCENTAGE</u> |
|-------------------------------|------------------------------|
| 0-10 | 6% |
| 11-15 | 8% |
| Greater than 15 | 10% |

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

| <u>Months Factor</u> | <u>PV Factor 0</u> |
|----------------------|--------------------|
| 12 | .9 |
| 11 | .8 |
| 10 | .8 |
| 9 | .8 |
| 8 | .8 |
| 7 | .9 |
| 6 | 1.0 |
| 5 | 1.0 |
| 4 | 1.0 |
| 3 | 1.0 |
| 2 | 1.0 |
| 1 | 1.0 |

II. Effective on and after January 1, 2004:

MONTHS FACTORS

| <u>Eligibility Date</u> | <u>Prorata Factor</u> |
|-------------------------|-----------------------|
| January 1st | 1.00 |
| February 1st | 0.92 |
| March 1st | 0.83 |
| April 1st | 0.75 |
| May 1st | 0.67 |
| June 1st | 0.50 |
| July 1st | 0.50 |
| August 1st | 0.42 |
| September 1st | 0.33 |
| October 1st | 0.25 |
| November 1st | 0.17 |
| December 1st | 0.08 |

APPENDIX C

SPIN-OFF FROM DANAHER CORPORATION

1. Background

The Plan Sponsor was established as a subsidiary of Danaher Corporation (“Danaher”) prior to the Effective Date. On the Effective Date, the liabilities for certain participants’ benefits under the Danaher EDIP, 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 Plan Sponsor and to this Plan. The Participants whose benefits were transferred to this Plan on the Effective Date are referred to below as “Fortive Participants.” The rules in this Appendix shall apply notwithstanding any Plan provisions to the contrary.

2. Plan Benefits

Fortive Participants who qualified as eligible employees under the Danaher EDIP immediately before the Effective Date shall be Eligible Employees under this Plan on such date. All service and compensation that was taken into account for purposes of determining the amount of a Fortive Participant’s benefit or his vested right to a benefit under the Danaher EDIP as of the Effective Date shall be taken into account for the same purposes under this Plan.

The Fortive Participants accounts will reflect such amounts transferred from the Danaher EDIP. To the extent the Plan refers to accounts prior to the close of the New York Stock Exchange on May 31, 2016, such references relate to the amounts as they existed in the Danaher EDIP prior to the transfer to the extent such amounts were transferred to the Plan.

3. Distributions

The terms of this Plan shall govern the distribution of all benefits payable to a Fortive Participant or any other person with a right to receive such benefits, including amounts accrued under the Danaher EDIP and then transferred to this Plan.

4. Termination and Key Employees

For avoidance of doubt, no Fortive Participant shall be treated as incurring a separation from service, termination of employment, retirement, or similar event for purposes of determining the right to a distribution (for amounts subject to Code section 409A or otherwise), vesting, benefits, or any other purpose under the Plan as a result of Danaher’s distribution of Fortive Corporation shares to Danaher shareholders. Also, the Key Employees shall be determined in accordance with the special rules for spin-offs under Treas. Reg. §1.409A-1(i)(6)(iii), or any successor thereto, for the period indicated in such regulation.

5. Participant Elections

All elections made by Fortive Participants under the Danaher EDIP prior to the close of the New York Stock Exchange on May 31, 2016, including any deferral elections, earnings crediting rate elections, payment elections, and beneficiary designations, shall apply to the same effect under this Plan as if made under the terms of this Plan.

6. References to Plan

All references in this Plan to the “Plan” as in effect before the Effective Date shall be read as references to the Danaher EDIP. To the extent that the Plan refers to the Plan Sponsor for periods prior to the close of the New York Stock Exchange on May 31, 2016, such reference shall mean Danaher Corporation as plan sponsor of the Danaher EDIP.

7. Right to Benefits

With respect to any recordkeeping account established to determine a benefit provided or due under the Danaher EDIP at any time, no benefit will be due under the Plan except with respect to the portion of such recordkeeping account reflecting the liability transferred from the Danaher EDIP to the Plan on the Effective Date. Additionally, on and after the Effective Date, Danaher and the Danaher EDIP, and any successors thereto shall have no further obligation or liability to any Fortive Participant with respect to any benefit, amount, or right due under the Danaher EDIP transferred to the Plan.

8. Stock

For the period prior to the Spin-off Date, “Common Stock” shall mean common stock of Danaher, par value \$0.01 per share (“Danaher Common Stock”). On and after the Spin-off Date, “Common Stock” shall mean common stock of Fortive Corporation.

As of the Spin-Off Date, Notional Shares, and Performance Shares of Danaher common stock shall be converted into Notional Shares and Performance Shares of Fortive Corporation common stock as provided by an agreement between the Fortive Corporation and Danaher. The amounts to be credited to a Participant’s Performance Shares Account under Section 3.1 will be based on such Performance Shares of Fortive Corporation common stock after the Spin-off Date. To the extent necessary, the Administrator shall use reasonable interpretations and adjustments to determine the fair market value of the Common Stock.