DANAHER CORP /DE/
Form PRE 14A
March 16, 2012

# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# SCHEDULE 14A

**(RULE 14a-101)**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

# DANAHER CORPORATION

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**Preliminary Copies**

**DANAHER CORPORATION**

**2200 Pennsylvania Avenue, N.W., Suite 800W**

**Washington, D.C. 20037-1701**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD MAY 8, 2012**

To the Shareholders:

Notice is hereby given that the 2012 Annual Meeting of Shareholders of Danaher Corporation, a Delaware corporation ( Danaher ), will be held at the Washington Marriott, 1221 22nd Street N.W., Washington, D.C., on May 8, 2012 at 3:00 p.m., local time, for the following purposes:

1. To elect the five directors named in the attached proxy statement to hold office for a term of one year and until their successors are elected and qualified.

2. To ratify the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2012.

3. To approve an amendment to Danaher s Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock of Danaher from 1 billion (1,000,000,000) shares to 2 billion (2,000,000,000) shares, $.01 par value per share.

4. To re-approve the material terms of the performance goals under the Danaher 2007 Executive Incentive Compensation Plan.

5. To approve on an advisory basis the Company s named executive officer compensation.

6. To consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

The Board of Directors has fixed the close of business on March 9, 2012 as the record date for determination of shareholders entitled to notice of and to vote at the meeting and any adjournment thereof.

**YOUR VOTE IS IMPORTANT. PLEASE SUBMIT YOUR PROXY OR VOTING INSTRUCTIONS AT YOUR EARLIEST CONVENIENCE, WHETHER OR NOT YOU PLAN TO ATTEND THE DANAHER CORPORATION ANNUAL MEETING. Most shareholders have a choice of voting over the Internet, by telephone or by using a traditional proxy card. Please refer to the attached proxy materials or the information forwarded by your bank, broker or other holder of record to see which voting methods are available to you.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 8, 2012.**

**This proxy statement and the accompanying annual report are available at:**

http://www.danaher.com/proxy.

BY ORDER OF THE BOARD OF DIRECTORS

JAMES F. O REILLY

Secretary

April 2, 2012

**PROXY STATEMENT**

**DANAHER CORPORATION**

**2200 Pennsylvania Avenue, N.W., Suite 800W**

**Washington, D.C. 20037-1701**

**2012 ANNUAL MEETING OF SHAREHOLDERS**

**MAY 8, 2012**

This proxy statement is furnished in connection with the solicitation by the Board of Directors ( Board ) of Danaher Corporation, a Delaware corporation ( Danaher ), of proxies for use at the 2012 Annual Meeting of Shareholders ( Annual Meeting ) to be held at the Washington Marriott, 1221 22nd Street N.W., Washington, D.C., on May 8, 2012 at 3:00 p.m., local time, and at any and all adjournments thereof. Danaher s principal address is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701. The date of mailing of this proxy statement is on or about April 2, 2012.

**Purpose of the Annual Meeting**

The purpose of the meeting is to: elect the five directors named in this proxy statement to hold office for a term of one year and until their successors are elected and qualified; ratify the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2012; approve an amendment to Danaher s Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock of Danaher from 1 billion (1,000,000,000) shares to 2 billion (2,000,000,000) shares, $.01 par value per share; re-approve the material terms of the performance goals under the Danaher 2007 Executive Incentive Compensation Plan; approve on an advisory basis the Company s named executive officer compensation; and consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

**Annual Meeting Admission**

Please be prepared to present photo identification for admittance. If you are a shareholder of record or hold your shares through a Danaher 401(k) plan, your name will be verified against the list of shareholders of record or plan participants on the record date prior to your being admitted to the Annual Meeting. If you are not a shareholder of record but hold shares through a broker, bank or nominee (*i.e.,* in street name), you should also be prepared to provide proof of beneficial ownership as of the record date, such as a recent brokerage account statement showing your ownership, a copy of the voting instruction card provided by your broker, bank or nominee, or other similar evidence of ownership.

**Outstanding Stock and Voting Rights**

In accordance with Danaher s Amended and Restated Bylaws, the Board has fixed the close of business on March 9, 2012 as the record date for determining the shareholders entitled to notice of, and to vote at, the Annual Meeting. Only shareholders of record at the close of business on that date will be entitled to vote. The only outstanding securities of Danaher entitled to vote at the Annual Meeting are shares of Common Stock, $.01 par value. Each outstanding share of Danaher Common Stock entitles the holder to one vote on each directorship and other matter brought before the Annual Meeting. As of the close of business on March 9, 2012, 691,841,492 shares of Danaher Common Stock were outstanding, excluding shares held by or for the account of Danaher.

The proxies being solicited hereby are being solicited by Danaher s Board. The total expense of the solicitation will be borne by Danaher, including reimbursement paid to banks, brokerage firms and other nominees for their reasonable expenses in forwarding material regarding the Annual Meeting to beneficial owners. Solicitation of proxies may be made personally or by mail, telephone, internet, e-mail or facsimile by officers and other management employees of Danaher, who will receive no additional compensation for their services. We have retained Georgeson Shareholder Communications, Inc. to aid in the solicitation of proxies. For these services, we expect to pay Georgeson a fee of less than $15,000 and reimburse it for certain out-of-pocket disbursements and expenses.

Proxies will be voted as specified in the shareholder s proxy. If you sign your proxy card with no further instructions, your shares will be voted (1) FOR each of the nominees named herein as directors, (2) FOR ratification of the selection of Ernst & Young LLP as Danaher s independent registered public accounting firm for the year ending December 31, 2012, (3) FOR approval of the amendment to Danaher s Restated Certificate of Incorporation to increase the number of authorized shares of Common Stock of Danaher from 1 billion (1,000,000,000) shares to 2 billion (2,000,000,000) shares, $.01 par value per share; (4) FOR re-approval of the material terms of the performance goals under the Danaher 2007 Executive Incentive Compensation Plan; (5) FOR approval of the Company s named executive officer compensation, and (6) in the discretion of the proxy holders on any other matter that properly comes before the meeting or any adjournment thereof. The Board has selected Steven Rales and Mitchell Rales to act as proxies with full power of substitution.

**Voting Requirements With Respect to Each of the Proposals Described in this Proxy Statement**

*Quorum*. The quorum necessary to conduct business at the Annual Meeting consists of a majority of the issued and outstanding shares of Danaher Common Stock entitled to vote at the Annual Meeting as of the record date. Abstentions and broker non-votes will be counted as present in determining whether the quorum requirement is satisfied.

*Broker Non-Votes*. Under New York Stock Exchange ( NYSE ) rules, if your broker holds your shares in its name and does not receive voting instructions from you, your broker has discretion to vote those shares on Proposals 2 and 3, which are considered routine matters. However, on non-routine matters such as Proposals 1, 4 and 5, your broker must receive voting instructions from you, as it does not have discretionary voting power for these particular items. Therefore, if you are a beneficial owner and do not provide your broker with voting instructions, your shares may constitute broker non-votes with respect to Proposals 1, 4 and 5. Broker non-votes will not affect the required vote with respect to Proposals 1, 4 and 5 (and will not affect the attainment of a quorum since the broker has discretion to vote on Proposals 2 and 3 and these votes will be counted toward establishing a quorum).

*Approval Requirements*. If a quorum is present, the vote required under the Company s Amended and Restated Bylaws to approve each of the proposals is as follows. All votes will be counted by the inspector of election appointed for the meeting.

With respect to Proposal 1, the election of directors, you may vote for or against any or all director nominees or you may abstain as to any or all director nominees. In uncontested elections of directors, such as this election, a nominee is elected by a majority of the votes cast by the shares present in person or represented by proxy and entitled to vote. A majority of the votes cast means that the number of votes cast for a director nominee must exceed the number of votes cast against that nominee. A vote to abstain is not treated as a vote for or against, and thus will have no effect on the outcome of the vote. Under our director resignation policy, our Board will not nominate a director for election, or appoint a director to fill a vacancy or new directorship, unless the individual has tendered in advance an irrevocable resignation effective in such circumstances where the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee will submit for prompt consideration by the Board a recommendation whether to accept or reject the director s resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

With respect to Proposal 3, to amend the Company s Restated Certificate of Incorporation, the affirmative vote of a majority of the outstanding shares of Danaher Common Stock entitled to vote is required for approval. For this proposal, abstentions have the effect of a vote against the proposal.

With respect to Proposal 4, to re-approve the material terms of the performance goals under the Danaher 2007 Executive Incentive Compensation Plan, the affirmative vote of a majority of the votes cast is required for approval. For this proposal, we will treat abstentions as votes cast and therefore abstentions will have the effect of a vote against the proposal.

With respect to Proposals 2 and 5, the affirmative vote of a majority of the shares of Danaher Common Stock represented in person or by proxy and entitled to vote on the proposal is required for approval. For these proposals, abstentions are counted for purposes of determining the minimum number of affirmative votes required for approval and, accordingly, have the effect of a vote against the proposal.

**Voting Methods**

If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered the registered holder of those shares. As the registered shareholder, you can ensure your shares are voted at the Annual Meeting by submitting your instructions by telephone, over the Internet, by completing, signing, dating and returning the enclosed proxy card in the envelope provided, or by attending the Annual Meeting and voting your shares at the meeting. Telephone and internet voting for registered shareholders will be available 24 hours a day, up until 11:59 p.m. Central time on May 7, 2012. You may obtain directions to the Annual Meeting in order to vote in person by calling Danaher s Investor Relations department at 202-828-0850.

Most Danaher shareholders hold their shares through a broker, bank or another nominee, rather than registered directly in their name. In that case, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker, bank or other nominee, together with a voting instruction card. As the beneficial owner, you are entitled to direct the voting of your shares by your intermediary. Brokers, banks and other nominees typically offer telephonic or electronic means by which the beneficial owners of shares held by them can submit voting instructions, in addition to the traditional mailed voting instruction cards.

If you participate in the Danaher Stock Fund through the Danaher Corporation & Subsidiaries Savings Plan (the 401(k) Plan ) or the Danaher Corporation & Subsidiaries Retirement and Savings Plan (collectively with the 401(k) Plan, the Savings Plans ), your proxy will also serve as a voting instruction for Fidelity Management Trust Company ( Fidelity ), the trustee of the Savings Plans, with respect to shares of Common Stock attributable to your Savings Plan account as of the record date. Fidelity will vote your Savings Plan shares as of the record date in the manner directed by you. If Fidelity does not receive voting instructions from you by May 3, 2012, Fidelity will not vote your Savings Plan shares on any of the proposals brought at the Annual Meeting.

**Changing Your Vote**

Any person giving a proxy pursuant to this solicitation has the power to revoke it at any time before it is voted. It may be revoked by filing with the Secretary of Danaher a written notice of revocation or a duly executed proxy bearing a later date, or it may be revoked by attending the meeting and voting in person. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke your proxy or vote at the meeting, you must follow the instructions provided to you by the record holder and/or obtain from the record holder a proxy issued in your name. Attendance at the meeting will not, by itself, revoke a proxy.

**Delivery of Documents to Shareholders Sharing an Address**

Danaher and some banks, brokers and other nominee record holders participate in the practice of householding proxy statements and annual reports. This means that only one copy of our proxy statement and annual report to shareholders may have been sent to multiple shareholders in your household. You may revoke your consent to householding at any time by sending your name, the name of your brokerage firm, and your account number to Householding Department, 51 Mercedes Way, Edgewood, NY 11717 or telephoning

1-800-542-1061. The revocation of your consent to householding will be effective 30 days after its receipt. We will promptly deliver a separate copy of our annual report and proxy statement to you if you contact us at Danaher Corporation, Attn: Investor Relations, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701; telephone us at 202-828-0850; or email us at investor.relations@danaher.com. If you want to receive separate copies of the proxy statement or annual report in the future; if you and another shareholder sharing an address would like to request delivery of a single copy of the proxy statement or annual report at such address in the future; or if you would like to make a permanent election to receive either printed or electronic copies of the proxy materials and annual report in the future, you may contact us at the above address, telephone number or email address.

**BENEFICIAL OWNERSHIP OF DANAHER COMMON STOCK BY**

**DIRECTORS, OFFICERS AND PRINCIPAL SHAREHOLDERS**

The following table sets forth as of March 9, 2012, the number of shares and percentage of Danaher Common Stock beneficially owned by (1) each person who owns of record or is known to Danaher to beneficially own more than five percent of Danaher s Common Stock, (2) each of Danaher s directors and nominees for director and each of the executive officers named in the Summary Compensation Table (the named executive officers ), and (3) all executive officers and directors of Danaher as a group. Except as otherwise indicated and subject to community property laws where applicable, each person or entity included in the table below has sole voting and investment power with respect to the shares beneficially owned by that person or entity. Under applicable SEC rules, the definition of beneficial ownership for purposes of this table includes shares over which a person or entity has sole or shared voting or investment power, whether or not the person or entity has any economic interest in the shares, and also includes shares as to which the person has the right to acquire beneficial ownership within 60 days of March 9, 2012.

| **Name** | **Number of Shares Beneficially Owned (1)** | **Percent Of Class (1)** |
|---|---|---|
| Mortimer M. Caplin | 180,979(2) | * |
| H. Lawrence Culp, Jr. | 4,530,915(3) | * |
| Donald J. Ehrlich | 211,740(4) | * |
| Linda P. Hefner | 57,854(5) | * |
| Teri List-Stoll | 0 | |
| Walter G. Lohr, Jr. | 689,612(6) | * |
| Mitchell P. Rales | 50,531,341(7) | 7.3% |
| Steven M. Rales | 58,141,479(8) | 8.4% |
| John T. Schwieters | 68,942(9) | * |
| Alan G. Spoon | 74,286(10) | * |
| Elias A. Zerhouni, M.D. | 20,440(11) | * |
| Daniel L. Comas | 646,119(12) | * |
| William K. Daniel II | 153,526(13) | * |
| Thomas P. Joyce, Jr. | 337,272(14) | * |
| James A. Lico | 556,942(15) | * |
| T. Rowe Price Associates, Inc. | 66,199,155(16) | 9.6% |
| FMR LLC | 40,222,730(17) | 5.8% |
| All executive officers and directors as a group (19 persons) | 117,235,308(18) | 16.8% |

(1) Pursuant to the definition of beneficial ownership, balances credited to each executive officer s account under the Amended and Restated Danaher Corporation Executive Deferred Incentive Program (the EDIP ), which could under the terms of the EDIP be converted into shares of Danaher Common Stock within 60 days of March 9, 2012, are reflected in the table. EDIP participants generally have the right to terminate employment at any time and at their election receive an immediate distribution of their vested EDIP balance in the form of Danaher Common Stock. For purposes of the table, the number of shares of Danaher Common Stock attributable to a person s EDIP account is equal to (1) the person s outstanding EDIP balance as of March 9, 2012 (to the extent such balance is vested or will become vested within 60 days of March 9, 2012), divided by (2) the closing price of Danaher Common Stock as reported on the NYSE on March 9, 2012 ($53.35 per share). For purposes of the table, the number of shares attributable to each executive officer s 401(k) account is equal to (a) the officer s balance, as of March 9, 2012, in the Danaher stock fund included in the executive officer s 401(k) account (the 401(k) Danaher Stock Fund ), divided by (b) the closing price of Danaher Common Stock as reported on the NYSE on March 9, 2012. The 401(k) Danaher Stock Fund consists of a unitized pool of Danaher Common Stock and cash. The table also includes shares that may be acquired upon (x) exercise of options that are exercisable within 60 days of March 9, 2012, or (y) vesting of restricted stock units ( RSUs ) that vest within 60 days of March 9, 2012.

(2) Includes 82,818 shares, options to acquire 75,620 shares and 1,320 RSUs, in each case owned by a revocable trust of which Mr. Caplin and his spouse are the sole trustees, and 21,221 shares held by a charitable foundation of which Mr. Caplin is director and president. Mr. Caplin disclaims beneficial ownership of the shares held by the charitable foundation.

(3) Includes options to acquire 2,780,452 shares, 28,000 RSUs, 654,330 shares owned by limited liability companies as to each of which the members are Mr. Culp and an entity controlled by Mr. Culp, 3,659 shares attributable to Mr. Culp s 401(k) account and 311,675 shares attributable to Mr. Culp s EDIP account.

(4) Includes options to acquire 75,620 shares, 1,320 RSUs, 32,000 shares owned by a limited liability company controlled by Mr. Ehrlich, 12,800 shares owned by an IRA for the benefit of Mr. Ehrlich and 2,000 shares owned by Mr. Ehrlich s spouse. Mr. Ehrlich disclaims beneficial ownership of the shares held by his spouse.

(5) Includes options to acquire 43,620 shares and 1,320 RSUs. 1,860 of the shares owned outright by Ms. Hefner are pledged as security under a real property mortgage, and Ms. Hefner is in compliance with the mortgage.

(6) Includes options to acquire 75,620 shares and 1,320 RSUs. Also includes 58,000 shares held by a charitable foundation of which Mr. Lohr is president, and 106,672 shares held by Mr. Lohr as trustee of a trust for his children, as to each of which Mr. Lohr disclaims beneficial ownership.

(7) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 856,080 shares owned by an IRA for the benefit of Mr. Rales, 1,616,600 shares owned by grantor retained annuity trusts as to which Mr. Rales has sole voting and investment power, 783,400 shares owned by a family trust as to which Mr. Rales has sole voting and investment power and 132,779 shares attributable to Mr. Rales 401(k) account. All of the shares of Danaher Common Stock held by the limited liability companies of which Mr. Rales is the sole member are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Mitchell Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

(8) Includes 40,000,000 shares owned by limited liability companies of which Mr. Rales is the sole member, 9,739 shares attributable to Mr. Rales 401(k) account and 117,000 shares owned by a charitable foundation of which Mr. Rales is a director. Mr. Rales disclaims beneficial ownership of those shares held by the charitable foundation. All of the shares of Danaher Common Stock held by the limited liability companies of which Mr. Rales is the sole member are pledged to secure lines of credit with certain banks and each of these entities and Mr. Rales is in compliance with these lines of credit. The business address of Steven Rales, and of each of the limited liability companies, is 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

(9) Includes options to acquire 59,620 shares, 1,320 RSUs and 2,000 shares owned by an IRA for the benefit of Mr. Schwieters. The 6,002 shares owned directly by Mr. Schwieters are held in a margin account.

(10) Includes options to acquire 27,620 shares and 1,320 RSUs.

(11) Includes options to acquire 11,620 shares and 1,320 RSUs.

(12) Includes options to acquire 555,840 shares, 3,640 RSUs, 6,589 shares attributable to Mr. Comas 401(k) account, 19,210 shares attributable to Mr. Comas EDIP account and 4,528 shares held by Mr. Comas spouse. Mr. Comas disclaims beneficial ownership of the shares held by his spouse.

(13) Includes options to acquire 111,310 shares, 2,430 RSUs and 5,511 shares attributable to Mr. Daniel s EDIP account.

(14) Includes options to acquire 253,840 shares, 3,814 RSUs and 77,761 shares attributable to Mr. Joyce s EDIP account.

(15) Includes options to acquire 478,840 shares, 3,464 RSUs, 9,985 shares attributable to Mr. Lico s 401(k) account and 46,815 shares attributable to Mr. Lico s EDIP account.

(16) The amount shown and the following information is derived from a Schedule 13G dated February 9, 2012 filed by T. Rowe Price Associates, Inc. ( Price Associates ), which sets forth Price Associates beneficial ownership as of December 31, 2011. According to the Schedule 13G, Price Associates has sole voting power over 10,254,211 shares and sole dispositive power over 66,199,155 shares. These shares are owned by various individual and institutional investors for which Price Associates serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For purposes of the Securities Exchange Act of 1934, as amended ( Securities Exchange Act ), Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. The address of Price Associates is 100 E. Pratt Street, Baltimore, Maryland 21202.

(17) The amount shown and the following information is derived from a Schedule 13G dated February 13, 2012 filed by FMR LLC and Edward C. Johnson 3d, which sets forth their respective beneficial ownership as of December 31, 2011. Pursuant to the Schedule 13G, 35,843,509 of the shares reported are beneficially owned by Fidelity Management & Research Company, an investment adviser and a wholly-owned subsidiary of FMR LLC, as a result of acting as investment adviser to various investment companies (collectively, the Fidelity Funds ), and with respect to these shares, FMR LLC, Mr. Edward C. Johnson 3d and each of the Fidelity Funds exercise sole investment power and the Fidelity Funds Boards of Trustees exercises sole voting power; 183,311 shares are beneficially owned by Fidelity Management Trust Company, an investment manager and wholly-owned subsidiary of FMR LLC and with respect to these shares, each of FMR LLC and Mr. Edward C. Johnson 3d exercise sole investment power and sole voting power; 73,912 shares are beneficially owned by Strategic Advisors, Inc., an investment advisor and wholly owned subsidiary of FMR LLC; 971,330 shares are beneficially owned by Pyramis Global Advisors, LLC ( PGALLC ), an investment advisor and wholly-owned subsidiary of FMR LLC, as to which each of Mr. Johnson and FMR LLC, through its control of PGALLC, has sole investment power, and sole voting power with respect to 435,420 of such shares; 2,149,068 shares are owned by Pyramis Global Advisors Trust Company ( PGATC ), an investment manager and a wholly-owned subsidiary of FMR LLC, as to which each of Mr. Johnson and FMR LLC, through its control of PGATC, has sole investment power, and sole voting power with respect to 1,293,886 of such shares; and the remaining 1,001,600 shares reported are beneficially owned by FIL Limited ( FIL ), an investment adviser and investment manager independent of FMR LLC as to which partnerships controlled predominantly by members of Mr. Johnson s family, or trusts for their benefit, own shares of voting stock. FMR LLC disclaims beneficial ownership of the shares beneficially owned by FIL Limited. The address of FMR LLC is 82 Devonshire Street, Boston, Massachusetts 02109.

(18) Includes options to acquire 5,008,710 shares, 50,588 RSUs, 256,922 shares attributable to executive officers 401(k) accounts and 631,138 shares attributable to executive officers EDIP accounts.

* Represents less than 1% of the outstanding Danaher Common Stock.

## PROPOSAL 1.

## ELECTION OF DIRECTORS OF DANAHER

The Board has fixed the number of directors at eleven. In May 2011, following approval by the Board, the Company s shareholders approved an amendment to Danaher s Restated Certificate of Incorporation to declassify the Board and provide for the annual election of directors. The amendment did not shorten the existing term of any director, and as a result the directors elected to three-year terms prior to the effectiveness of the amendment will complete those terms. As a result of the declassification amendment, the directors elected at the 2012 Annual Meeting (and at each annual meeting thereafter) will be elected for one-year terms and beginning with the 2014 annual meeting the entire Board will be elected annually.

At the 2012 Annual Meeting, shareholders will be asked to elect the five directors set forth below to serve until the 2013 annual meeting of shareholders and until their successors are duly elected and qualified. The Board has nominated Mortimer M. Caplin, Donald J. Ehrlich, Linda P. Hefner, Teri List-Stoll and Walter G. Lohr, Jr., each of whom currently serves as a director of the Company.

Steven M. Rales, John T. Schwieters and Alan G. Spoon will continue to serve as directors in the class whose term expires in 2013. H. Lawrence Culp, Jr., Mitchell P. Rales and Elias A. Zerhouni, M.D. will continue to serve as directors in the class whose term expires in 2014.

We have set forth below information relating to each nominee for election as director and each director continuing in office, including: his or her principal occupation and any board memberships at other public companies during the past five years; the other experience, qualifications, attributes or skills that led the Board to conclude that he or she should serve or should continue to serve as a director of Danaher; the year in which he or she became a director; age; and the year in which his or her term is scheduled to expire. Please see Corporate Governance Board of Directors and Committees of the Board Nominating and Governance Committee for a further discussion of the Board s process for nominating these candidates. In the event a nominee declines or is unable to serve, the proxies may be voted in the discretion of the proxy holders for a substitute nominee designated by the Board, or the Board may reduce the number of directors to be elected. We know of no reason why this will occur.

### Nominees for One Year Terms That Will Expire in 2013

| | |
|---|---|
| Mortimer M. Caplin<br><br>Age 95 | Mr. Caplin has served on Danaher s Board of Directors since 1990. He has been a member of Caplin & Drysdale, a law firm in Washington, D.C., for over five years. Within the past five years Mr. Caplin has also served as a director of Presidential Realty Corporation. |
| | Mr. Caplin has served as U.S. Commissioner of the Internal Revenue Service, founded one of the country s leading tax law firms and has practiced and taught tax and corporate law for many years. He brings to Danaher a deep understanding of the government, public policy, tax law and corporate governance, which offer significant benefits to Danaher as a large, global and complex company. |
| Donald J. Ehrlich<br><br>Age 74 | Mr. Ehrlich has served on Danaher s Board of Directors since 1985. He served as President and Chief Executive Officer of Schwab Corp., a manufacturer of fire-protective safes, files, cabinets and vault doors, from January 2003 until his retirement in July 2008, and has also served on the boards of private and non-profit organizations. |

| | |
|---|---|
| | Mr. Ehrlich also founded and served as the chairman and chief executive officer of an NYSE-listed publicly-traded manufacturing company, and has also founded and served as CEO of two privately held manufacturing companies. As an entrepreneur and business leader who began his career on the factory floor, has been awarded over fifteen patents and worked his way to leadership of an NYSE-listed publicly-traded company, Mr. Ehrlich has a broad understanding of the strategic challenges and opportunities facing a publicly-traded manufacturing company such as Danaher. He also has a broad, functional skill-set in the areas of engineering, finance, capital allocation and executive compensation. |
| Linda P. Hefner<br><br>Age 52 | Ms. Hefner has served on Danaher s Board of Directors since 2005. Since May 2007, she has served as Executive Vice President of Wal-Mart Stores Inc. (an operator of retail stores and warehouse clubs) and since April 2009 as Chief Merchandising Officer for Sam s Club, a division of Wal-Mart. From May 2004 through December 2006, Ms. Hefner served as Executive Vice President - Global Strategy for Kraft Foods Inc., a manufacturer and seller of branded foods and beverages.<br><br>Ms. Hefner has served in senior management roles with some of the world s leading consumer goods companies, with responsibilities in the areas of marketing, branding and merchandising. Understanding and responding to the needs of our customers is fundamental to Danaher s business strategy, and Ms. Hefner s keen marketing and branding insights have been a valuable resource to Danaher s Board. Her leadership role with one of the world s largest public companies also gives her an appreciation for the business practices that are critical to the success of a large, growing public company such as Danaher. |
| Teri List-Stoll<br><br>Age 49 | Ms. List-Stoll has served on Danaher s Board of Directors since September 2011. She was originally proposed to the Nominating and Governance Committee for election as a director by a third party recruiting firm. She has been Senior Vice President and Treasurer of The Procter & Gamble Company since 2009, and has served in a series of progressively more responsible positions in the Procter & Gamble accounting and finance organization since joining the company in 1994. Prior to joining Procter & Gamble, Ms. List-Stoll was employed by the accounting firm of Deloitte & Touche for almost ten years.<br><br>Ms. List-Stoll has served in senior finance and accounting roles with one of the world s leading consumer goods companies. Her experience dealing with complex finance and accounting matters for Procter & Gamble gives her an appreciation for and understanding of the similarly complex finance and accounting matters that Danaher faces. In addition, through her leadership role with one of the world s largest public companies she has insight into the business practices that are critical to the success of a large, growing public company such as Danaher. |
| Walter G. Lohr, Jr.<br><br>Age 68 | Mr. Lohr has served on Danaher s Board of Directors since 1983. He has been a partner of Hogan Lovells, a global law firm, for over five years and has also served on the boards of private and non-profit organizations. |

Prior to his tenure at Hogan Lovells, Mr. Lohr served as assistant attorney general for the state of Maryland. He has extensive experience advising companies in a broad range of transactional matters, including mergers and acquisitions, contests for corporate control and securities offerings. His extensive knowledge of the legal strategies, issues and dynamics that pertain to mergers and acquisitions and capital raising have been a critical resource for Danaher given the importance of its acquisition program.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR EACH OF THE FOREGOING NOMINEES.**

**Continuing Directors Whose Terms Will Expire in 2013**

Steven M. Rales

Age 61

Mr. Rales is a co-founder of Danaher and has served on Danaher s Board of Directors since 1983, serving as Danaher s Chairman of the Board since 1984. He was also CEO of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in private business entities in the areas of manufacturing and film production. Mr. Rales is a brother of Mitchell P. Rales.

The strategic vision and leadership of Mr. Rales and his brother, Mitchell Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company s shareholders.

John T. Schwieters

Age 72

Mr. Schwieters has served on Danaher s Board of Directors since 2003. He has been a Senior Advisor of Perseus, LLC, a merchant bank and private equity fund management company, since March 2009 after serving as Vice Chairman from April 2000 to March 2009. Mr. Schwieters is a member of the board of directors of Smithfield Foods, Inc. and Choice Hotels International, Inc., and within the past five years has also served as a director of Union Street Acquisition Corp. and Manor Care, Inc.

In addition to his roles with Perseus, Mr. Schwieters led the Mid-Atlantic region of one of the world s largest accounting firms after previously leading that firm s tax practice in the Mid-Atlantic region, and has served on the boards and chaired the audit committees of several NYSE-listed public companies. He brings to Danaher extensive knowledge and experience in the areas of public accounting, tax accounting and finance, which are areas of critical importance to Danaher as a large, global and complex public company.

Alan G. Spoon

Age 60

Mr. Spoon has served on Danaher s Board of Directors since 1999. He has served as General Partner of Polaris Venture Partners, a company which invests in private technology firms, since May 2000. Mr. Spoon is also a member of the board of directors of IAC/InterActiveCorp., and within the past five years has also served as a director of Getty Images, Inc. and TechTarget, Inc.

In addition to his leadership role at Polaris Venture Partners, Mr. Spoon previously served as president, chief operating officer and chief financial officer of one of the country s largest, publicly-traded education and media companies, and has served on the boards of numerous public and private companies. His public company leadership experience gives him insight into business strategy, leadership and executive compensation and his public company and private equity experience give him insight into technology trends, acquisition strategy and financing, each of which represents an area of key strategic opportunity for the Company.

**Continuing Directors Whose Terms Will Expire in 2014**

| | |
|---|---|
| H. Lawrence Culp, Jr.<br><br>Age 49 | Mr. Culp has served on Danaher s Board of Directors and as Danaher s President and Chief Executive Officer since May 2001. He is also a member of the board of directors of GlaxoSmithKline plc. |
| | Mr. Culp joined the Company in 1990 and served in leadership positions in a variety of different functions and businesses before his promotion to President and CEO in 2001. His broad operating and functional experience and in-depth knowledge of Danaher s businesses and of the Danaher Business System are particularly valuable given the complex, diverse nature of Danaher s portfolio. His insights and perspective from serving on the board of one of the world s largest pharmaceutical companies have also proved valuable to Danaher. These experiences, combined with Mr. Culp s talent for leadership and his long-term strategic perspective, have helped drive Danaher s sustained record of growth and performance through a full range of economic cycles. |
| Mitchell P. Rales<br><br>Age 55 | Mr. Rales is a co-founder of Danaher and has served on Danaher s Board of Directors since 1983, serving as Chairman of the Executive Committee of Danaher since 1984. He was also President of the Company from 1984 to 1990. In addition, for more than the past five years he has been a principal in private and public business entities in the manufacturing area. Mr. Rales is also a member of the board of directors of Colfax Corporation, and is a brother of Steven M. Rales. |
| | The strategic vision and leadership of Mr. Rales and his brother, Steven Rales, helped create the Danaher Business System and have guided Danaher down a path of consistent, profitable growth that continues today. In addition, as a result of his substantial ownership stake in Danaher, he is well-positioned to understand, articulate and advocate for the rights and interests of the Company s shareholders. |
| Elias A. Zerhouni, M.D.<br><br>Age 60 | Dr. Zerhouni has served on Danaher s Board of Directors since 2009. Dr. Zerhouni has served as President, Global Research & Development, for Sanofi-Aventis, a global pharmaceutical company, since December 2010. From 1996 to 2002, Dr. Zerhouni served as Chair of the Russell H. Morgan Department of Radiology and Radiological Sciences, Vice Dean for Research and Executive Vice Dean of the Johns Hopkins School of Medicine. From 2002 to November 2008, Dr. Zerhouni served as director of the National Institutes of Health ( NIH ), and from November 2008 to December 2010 he provided advisory and consulting services to various non-profit and other organizations as Chairman and President of Zerhouni Holdings. |

Dr. Zerhouni, a physician, scientist and world-renowned leader in radiology research, is widely viewed as one of the leading authorities in the United States on emerging trends and issues in medicine and medical care. These insights, as well as his deep, technical knowledge of the research and clinical applications of medical technologies, are of considerable importance given Danaher s strategic expansion in the medical technologies markets. Dr. Zerhouni s government experience also gives him a strong understanding of how government agencies work, and his experience growing up in North Africa, together with the global nature of the issues he faced at NIH, give him a global perspective that is valuable to Danaher.

## CORPORATE GOVERNANCE

### Corporate Governance Guidelines, Committee Charters and Standards of Conduct

As part of its ongoing commitment to good corporate governance, our Board of Directors has codified its corporate governance practices into a set of Corporate Governance Guidelines and has also adopted written charters for each of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee of the Board. Danaher has also adopted a code of business conduct and ethics for directors, officers (including our principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Standards of Conduct. The Corporate Governance Guidelines, committee charters and Standards of Conduct referenced above are each available in the Investor Corporate Governance section of our website at www.danaher.com.

### Board Leadership Structure and Risk Oversight

*Board Leadership Structure.* The Board has separated the positions of Chairman and CEO because it believes that, at this time, this structure best enables the Board to ensure that Danaher s business and affairs are managed effectively and in the best interests of shareholders. This is particularly the case in light of the fact that the Company s Chairman is Steven Rales, a co-founder of the Company who owns approximately 8.4% of the Company s outstanding shares, served as CEO of the company from 1984 to 1990 and continues to serve as an executive officer of the company. As a result of his substantial ownership stake in the Company, the Board believes that Mr. Rales is uniquely able to understand, articulate and advocate for the rights and interests of the Company s shareholders. Moreover, Mr. Rales uses his management experience with the Company and Board tenure to help ensure that the non-management directors have a keen understanding of the Company s business as well as the strategic and other risks and opportunities that the Company faces. This enables the Board to more effectively provide insight and direction to, and exercise oversight of, the Company s President and CEO and the rest of the management team responsible for the Company s day-to-day business (including with respect to oversight of risk management).

Because Mr. Rales is not independent within the meaning of the NYSE listing standards, our Corporate Governance Guidelines require the appointment of a lead independent director. Our independent directors have appointed Mr. Ehrlich as our lead independent director. As the lead independent director, Mr. Ehrlich:

- presides at all meetings of the Board at which the Chairman of the Board and the Chair of the Executive Committee are not present, including the executive sessions of non-management directors;
- has the authority to call meetings of the independent directors;
- acts as a liaison as necessary between the independent directors and the management directors; and
- advises with respect to the Board s agenda.

*Risk Oversight.* The Board s role in risk oversight at the Company is consistent with the Company s leadership structure, with management having day-to-day responsibility for assessing and managing the Company s risk exposure and the Board and its committees overseeing those efforts, with particular emphasis on the most significant risks facing the Company. The Board oversees the Company s risk management processes directly and through its committees. In general, the Board oversees the management of risks inherent in the operation of the Company s businesses, the implementation of its strategic plan, its acquisition and capital allocation program, its capital structure and liquidity and its organizational structure. Each of the Board s committees also oversees the management of Company risks that fall within the committee s areas of responsibility. The Audit Committee oversees risks related to financial controls and legal and compliance risks and generally oversees the Company s risk assessment and risk management policies; the Nominating & Governance Committee oversees corporate governance risks; and the Compensation Committee considers the impact of the Company s compensation programs on the Company s risk profile. Each committee reports to the full Board on a regular basis, including as appropriate with respect to the committee s risk oversight activities. In addition, since risk issues often overlap, committees from time to time request that the full Board discuss particular risks. On an annual basis, the Company s Risk Committee (consisting of members of senior management) inventories, assesses and prioritizes the most significant risks facing the Company as well as related mitigation efforts and provides a report to the Board. With respect to the manner in which the Board s risk oversight function impacts the Board s leadership structure, as described above our Board believes that Mr. Rales management experience and tenure help the Board to more effectively exercise its risk oversight function.

**Director Independence**

At least a majority of the Board must qualify as independent within the meaning of the listing standards of the NYSE. The Board has affirmatively determined that other than Messrs. Steven Rales, Mitchell Rales and H. Lawrence Culp, Jr., each of whom is an executive officer of Danaher, all of the remaining eight members of the Board, consisting of Mss. Hefner and List-Stoll, Messrs. Caplin, Ehrlich, Lohr, Schwieters and Spoon and Dr. Zerhouni, are independent within the meaning of the listing standards of the NYSE. The Board concluded that none of the independent directors possesses any of the bright-line relationships set forth in the listing standards of the NYSE that prevent independence, or except as discussed below, any other relationship with Danaher other than Board membership.

In making its determination with respect to the independence of the directors identified above as independent, the Board considered the following transactions, relationships and arrangements. In 2011, the Company and its subsidiaries sold products to and purchased products from Wal-Mart Stores Inc., where Ms. Hefner serves as an officer; sold products to and purchased products from The Procter & Gamble Company, where Ms. List-Stoll serves as an officer; sold products to Sanofi-Aventis, where Dr. Zerhouni serves as an officer; and sold products to Wabash National Corp., where certain of Mr. Ehrlich s immediate family members are employed. In each case, the sales and purchases were made in the ordinary course of business, on commercial terms and on an arms -length basis and the director had no role in the decision-making with respect to such transactions, and in each case the Board determined that such transactions do not create a material relationship between the director and Danaher and do not affect the director s independence. In each case, the amount of sales and the amount of purchases in 2011 were less than 0.05% of the 2011 revenues of such other company and less than 0.2% of Danaher s 2011 revenues.

With respect to Mr. Lohr, the Board considered the fact that Mr. Lohr and other attorneys at the Hogan Lovells law firm (at which Mr. Lohr is a partner) provide legal services to entities controlled by Messrs. Steven Rales and Mitchell Rales. The Board concluded that the relationship does not constitute a material relationship because it has not impaired and does not impair Mr. Lohr s independent judgment in connection with his duties and responsibilities as a director of Danaher. The aggregate amount of legal services provided by Hogan Lovells in 2011 to the Rales affiliates was less than 0.1% of Hogan Lovells annual revenues, based on publicly available information.

Danaher s non-management directors (all of whom are independent within the meaning of the listing standards of the NYSE) meet in executive session following the Board s regularly-scheduled meetings. The sessions are scheduled and chaired by the lead independent director.

**Board of Directors and Committees of the Board**

*General.* The Board met eleven times during 2011. All directors attended at least 75% of the aggregate of the total number of meetings of the Board and of all committees of the Board on which they served (during the period they so served) during 2011. Danaher typically schedules a Board meeting in conjunction with each annual meeting of shareholders and as a general matter expects that the members of the Board will attend the annual meeting. Nine of the ten directors serving at the time attended the Company s annual meeting in May 2011.

The membership of each of the Audit, Compensation, Nominating & Governance and Finance committees as of March 9, 2012 is set forth below.

| Name of Director | Audit | Compensation | Nominating & Governance | Finance |
|---|---|---|---|---|
| Mortimer M. Caplin | X | X | | |
| H. Lawrence Culp, Jr. | | | | X |
| Donald J. Ehrlich | X | X* | | |
| Linda P. Hefner | | | X* | |
| Walter G. Lohr, Jr. | | | | X |
| Teri List-Stoll | X | | | |
| Mitchell P. Rales | | | | X* |
| Steven M. Rales | | | | X |
| John T. Schwieters | X* | | X | |
| Alan G. Spoon | | X | | |
| Elias A. Zerhouni, M.D. | | | X | |

X = committee member; * = Chair

*Audit Committee.* The Audit Committee met eight times during 2011. The Audit Committee assists the Board in overseeing the quality and integrity of Danaher s financial statements, the effectiveness of Danaher s system of internal control over financial reporting, Danaher s compliance with legal and regulatory requirements, the qualifications, independence and performance of Danaher s independent auditors and the performance of Danaher s internal audit function, and also oversees the Company s risk assessment and risk management policies. The Committee reports to the Board on its actions and recommendations at each regularly scheduled Board meeting. The Board has determined that all of the members of the Audit Committee are independent for purposes of Rule 10A-3(b)(1) under the Securities Exchange Act and the NYSE listing standards, that Messrs. Schwieters and Ehrlich and Ms. List-Stoll each qualify as an audit committee financial expert as that term is defined in Item 407(d)(5) of Regulation S-K and that each member of the Audit Committee is financially literate within the meaning of the NYSE listing standards.

*Compensation Committee.* The Compensation Committee met eight times during 2011. The Compensation Committee discharges the Board s responsibilities relating to compensation of our executive officers, including evaluating the performance of, and approving the compensation paid to, our executive officers. The Committee also:

- reviews and discusses with Company management the Compensation Discussion & Analysis (CD&A) included in the Company s annual meeting proxy statement and recommends to the Board the inclusion of the CD&A in the annual meeting proxy statement;
- reviews and makes recommendations to the Board with respect to the adoption, amendment and termination of all executive incentive compensation plans and all equity compensation plans, and exercises all authority of the Board (and all responsibilities assigned by such plans to the Committee) with respect to the administration of such plans;
- monitors compliance by directors and executive officers with the Company s stock ownership requirements; and
- considers the impact of the Company s compensation programs on the Company s risk profile.

Each member of the Compensation Committee is an outside director for purposes of Section 162(m) ( Section 162(m) ) of the Internal Revenue Code (the Code ), a non-employee director for purposes of Rule 16b-3 under the Securities Exchange Act and, based on the determination of the Board, independent under the NYSE listing standards. While the Committee s charter authorizes it to delegate its powers to sub-committees, the Committee did not do so during 2011. The Committee reports to the Board on its actions and

15

recommendations at each regularly scheduled Board meeting. The Chair of the Committee works with our CEO and our Secretary to schedule the Committee s meetings and set the agenda for each meeting. Our CEO, Senior Vice President and General Counsel, and Associate General Counsel and Secretary generally attend the Committee meetings and support the Committee in preparing meeting materials and taking meeting minutes. In particular, our CEO provides background regarding the interrelationship between our business objectives and executive compensation matters; participates in the Committee s discussions regarding the compensation of the other executive officers and provides recommendations to the Committee regarding all significant elements of compensation paid to such officers, their annual, personal performance objectives and his evaluation of their performance; and provides feedback regarding the companies that he believes Danaher competes with in the marketplace and for executive talent. Danaher s human resources department also provides the Committee with such data relating to executive compensation as requested by the Committee. The Committee typically meets in executive session, without the presence of management, in conjunction with each regularly scheduled meeting.

Under the terms of its charter, the Committee has the authority to engage the services of outside advisors and experts to assist the Committee. The Committee engages Frederic W. Cook & Co., Inc. ( F.W. Cook ) as the Committee s independent compensation consultant. F.W. Cook takes its direction solely from the Committee (and with respect to matters relating to the non-management director compensation program, the Nominating and Governance Committee). F.W. Cook s primary responsibilities in 2011 were to review the Company s executive compensation program, compare compensation levels for the Company s named executive officers to executive compensation levels at the Company s peers to assess whether the Company s pay levels are competitive, and analyze the Company s executive compensation program in the context of emerging corporate governance best practices; provide advice to the Committee in connection with modifications to certain elements of the Company s executive compensation program; update the Committee regarding legislative and regulatory initiatives and other trends in the area of executive compensation; and provide advice to the Nominating and Governance Committee with respect to the design of the Company s non-management director compensation program. The Committee does not place any material limitations on the scope of the feedback provided by F.W. Cook. In the course of discharging its responsibilities, F.W. Cook may from time to time and with the Committee s consent, request from management certain information regarding compensation amounts and practices, the interrelationship between our business objectives and executive compensation matters, the nature of the Company s executive officer responsibilities and other business information. F.W. Cook has not performed and will not perform any services for Danaher other than the services relating to executive and director compensation provided to or at the direction of the Compensation Committee or the Nominating and Governance Committee.

*Nominating and Governance Committee.* The Nominating and Governance Committee met four times in 2011. The Nominating and Governance Committee assists the Board in identifying individuals qualified to become Board members, proposes to the Board a slate of directors for election by Danaher s shareholders at each annual meeting, makes recommendations to the Board regarding the membership of the Board s committees, makes recommendations to the Board regarding matters of corporate governance, facilitates the annual review of the performance of the Board and its committees, oversees the operation of Danaher s Corporate Governance Guidelines, reviews and makes recommendations to the Board regarding non-management director compensation, and administers Danaher s Related Person Transactions Policy. The Board has determined that all of the members of the Nominating and Governance Committee are independent within the meaning of the NYSE listing standards.

The Nominating and Governance Committee from time-to-time engages an executive search firm to help identify, evaluate and provide background information regarding director candidates, and also considers candidates for Board membership suggested by Board members, management and shareholders. A shareholder who wishes to recommend a prospective nominee for the Board should notify the Nominating and Governance Committee in writing using the procedures described below under Communications with the Board of Directors with whatever supporting material the shareholder considers appropriate.

If a prospective nominee has been identified other than in connection with a director search process initiated by the Committee, the Committee makes an initial determination as to whether to conduct a full evaluation of the candidate. The Committee s determination of whether to conduct a full evaluation is based primarily on the Committee s view as to whether a new or additional Board member is necessary or appropriate at such time, and the likelihood that the prospective nominee can satisfy the evaluation factors described below and any such other factors as the Committee may deem appropriate. The Committee takes into account whatever information is provided to the Committee with the recommendation of the prospective candidate and any additional inquiries the Committee may in its discretion conduct or have conducted with respect to such prospective nominee. If the Committee determines that any such prospective nominee warrants additional consideration, or if the Committee has initiated a director search process and has identified one or more prospective nominees, the Committee will evaluate such prospective nominees against the standards and qualifications set out in Danaher s Corporate Governance Guidelines, including:

- personal and professional integrity and character;

- prominence and reputation in the prospective nominee s profession;

- skills, knowledge and expertise (including business or other relevant experience) useful and appropriate in overseeing and providing strategic direction with respect to Danaher s business;

- the extent to which the interplay of the prospective nominee s skills, knowledge, experience and background with that of the other Board members will help build a Board that is effective in collectively meeting Danaher s strategic needs and serving the long-term interests of the shareholders;

- the capacity and desire to represent the interests of the shareholders as a whole; and

- availability to devote sufficient time to the affairs of Danaher.

The Committee also considers such other factors as it may deem relevant and appropriate, including the current composition of the Board, any perceived need for one or more particular areas of expertise, the balance of management and independent directors, the need for Audit Committee and/or Compensation Committee expertise and the evaluations of other prospective nominees. The Board does not have a formal or informal policy with respect to diversity but believes that the Board, taken as a whole, should embody a diverse set of skills, knowledge, experiences and backgrounds appropriate in light of the Company s needs, and in this regard also subjectively takes into consideration the diversity (with respect to race, gender and national origin) of the Board when considering director nominees. The Board does not make any particular weighting of diversity or any other characteristic in evaluating nominees and directors.

If the Committee determines that a prospective nominee warrants further consideration, one or more members of the Committee (and other members of the Board as appropriate) will interview the prospective nominee. After completing this evaluation and interview process, if the Committee deems it appropriate it will recommend that the Board appoint one or more prospective nominees to the Board or nominate one or more such candidates for election to the Board.

The Committee also reviews and makes recommendations to the Board regarding non-management director compensation (although the Board makes the final determination regarding the amounts and type of non-management director compensation). In connection with its periodic evaluations of non-management director compensation, the Committee reviews the compensation practices for non-management directors within Danaher s peer group. For a description of the annual compensation paid to each non-management director, please see Director Compensation.

*Finance Committee.* The Finance Committee met once in 2011. The Finance Committee assists the Board in overseeing financial affairs and policies of Danaher and approves business acquisitions, divestitures and investments up to the levels of authority delegated to it by the Board.

**Majority Voting for Directors**

Our Amended and Restated Bylaws provide for majority voting in uncontested director elections, and our Board has adopted a director resignation policy. Under the policy, the Board will not nominate a director for election, or appoint a director to fill a vacancy or new directorship, unless the individual has tendered in advance an irrevocable resignation effective if the individual does not receive a majority of the votes cast in an uncontested election and such resignation is accepted by the Board. If an incumbent director is not elected by a majority of the votes cast in an uncontested election, our Nominating and Governance Committee will submit for prompt consideration by the Board a recommendation whether to accept or reject the director s resignation. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding that resignation.

However, at any meeting of shareholders for which the Secretary of the Company receives a notice that a shareholder has nominated a person for election to the Board of Directors in compliance with the Company s Amended and Restated Bylaws and such nomination has not been withdrawn on or before the tenth day before the Company first mails its notice of meeting to the Company s shareholders, the directors will be elected by a plurality of the votes cast (which means that the nominees who receive the most affirmative votes would be elected to serve as directors).

**Website Disclosure**

We may provide disclosure in the Investor Corporate Governance section of our corporate website, www.danaher.com, of any of the following: (1) the identity of the presiding director at meetings of non-management or independent directors, or the method of selecting the presiding director if such director changes from meeting to meeting; (2) the method for interested parties to communicate directly with the Board or with individual directors, the lead independent director or the non-management or independent directors as a group; (3) the identity of any member of Danaher s Audit Committee who also serves on the audit committees of more than three public companies and a determination by the Board that such simultaneous service will not impair the ability of such member to effectively serve on Danaher s Audit Committee; and (4) contributions by Danaher to a tax exempt organization in which any non-management or independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of $1 million or 2% of such tax exempt organization s consolidated gross revenues. We also intend to disclose any amendment to the Standards of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Standards of Conduct granted to any of our directors, principal executive officer, principal financial officer, principal accounting officer, or any other executive officer, in the Investor Corporate Governance section of our corporate website, www.danaher.com, within four business days following the date of such amendment or waiver.

**Communications with the Board of Directors**

Shareholders and other parties interested in communicating directly with the Board or with individual directors, the lead independent director or the non-management or independent directors as a group may do so by addressing communications to the Board of Directors, to the specified individual director or to the non-management or independent directors, as applicable, c/o Corporate Secretary, Danaher Corporation, 2200 Pennsylvania Avenue, N.W., Suite 800W, Washington, D.C. 20037-1701.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

*The following section discusses and analyzes the compensation provided to each of the executive officers set forth in the Summary Compensation Table below, also referred to as the named executive officers.*

**Executive Summary**

*Shareholder Returns and Business Performance*

Danaher s compounded annual shareholder return has outperformed the compounded annual shareholder return of the S&P 500 index over each of the last three-, five-, ten-, fifteen- and twenty-year periods, with a return of 18.7% over the last three years, 5.6% over the last five years and 11.7% over the last ten years (including dividend reinvestment). The chart below also shows Danaher s total shareholder return ( TSR ) compared to the TSR of the S&P 500 index over the last twenty years (including dividend reinvestment). Danaher s executive compensation program, particularly its emphasis on long-term equity compensation awards with vesting terms that are longer than typical for our peer group, has been fundamental in attracting skilled executives, encouraging them to build long-term careers with Danaher and motivating them to achieve sustainable, long-term operating and financial performance.

**Total Shareholder Return**

In response to an uncertain 2011 economic environment that witnessed growth in some parts of the world and weakness in others, Danaher s executive leadership aggressively managed costs while allocating resources to capitalize on growth opportunities. Danaher also used its strong financial position to continue investing in the Company s future growth, consummating 14 acquisitions and divesting a non-strategic business during the year, deploying $179 million in restructuring activities to reduce fixed costs and protect funding for growth investments, and investing record amounts in research and development and emerging market infrastructure. Danaher s June 2011, $5.5 billion acquisition of Beckman Coulter, Inc., a leading maker of medical diagnostics systems and life science research instruments, represents a key milestone in Danaher s evolution into a science and technology leader. Danaher s 2011 and prior year growth investments yielded results, as the Company on a year-over-year basis in 2011 grew revenue 28% (including 39% in emerging markets), diluted earnings per share

9.5% and operating cash flow 35%, and delivered an operating profit margin of 16.3% despite continuing to invest aggressively in our future.[1] Our commitment to continue investing in future growth despite an uncertain economy, and our generation of the cash flow to fund such investments, has positioned us to grow our business on a profitable and sustainable basis.

*2011 Executive Compensation*

The elements and mix of compensation for our named executive officers did not change significantly from 2010 to 2011, reflecting the long-term orientation and year-to-year consistency in our approach to executive compensation. Below are the key changes in our named executive officer compensation for 2011 compared to 2010.

- Our CEO s base salary remained unchanged, and the base salaries for the other named executive officers increased 5-6% on a year-over-year basis.

- Annual cash incentive compensation payments for 2011 increased 8% for Mr. Culp and zero to 13% for the other named executive officers, primarily reflecting the significant year-over-year increases in Company earnings and cash flows.

- The year-over-year increases in the long-term equity compensation awarded to our CEO and our other named executive officers were driven primarily by Danaher s rapid evolution into a leading science and technology company (accelerated by Danaher s $1.0 billion acquisition of AB Sciex and Molecular Devices in 2010 and $5.5 billion acquisition of Beckman Coulter in 2011), and the importance of retaining, rewarding and incentivizing the leadership team that is driving this transformation. Mr. Culp s leadership in particular has been critical in guiding this evolution and successfully managing an increasingly diverse and complex portfolio of businesses.

*Compensation Governance*

The Compensation Committee ( Committee ) of our Board of Directors recognizes that the success of our executive compensation program over the long-term requires a strong framework of compensation governance. As a result, the Committee regularly reviews external executive compensation practices and in recent periods has revised Danaher s executive compensation policies and practices to:

- incorporate multiple performance metrics in the annual cash incentive compensation plan;

- prospectively eliminate tax-reimbursement and gross-up provisions;

- eliminate club membership, automobile and executive life insurance perquisites;

- implement a rigorous compensation recoupment policy that is triggered by a material restatement of Danaher s financial statements, even in the absence of wrongdoing; and

- require executive officers to maintain robust stock ownership levels.

These more recent changes complement strong compensation governance practices that have long been a hallmark of Danaher s program:

- our executive officer equity awards have vesting terms that are longer than typical for our peer group;

- our executive officers have no pension program (apart from a small cash balance plan that operated in lieu of a 401(k) plan from 1997- 2003);

- our annual cash incentive compensation is based on performance over one- and three-year periods, to encourage sustainable annual performance;

- none of our long-term incentive compensation is paid in cash; and

- none of our named executive officers has any rights to automatic acceleration of equity award vesting or cash compensation upon a change of control.

[1] All metrics reflect continuing operations only.

**Overview and Objectives of our Named Executive Officer Compensation Program**

The goal of our compensation program for named executive officers is to build long-term value for our shareholders. Toward this goal, under the Committee s direction we have developed an executive compensation program designed to:

- attract and retain executives with the leadership skills, attributes and experience necessary to succeed in an enterprise with Danaher s size, complexity and global footprint;
- motivate executives to perform consistently over the long-term at or above the levels that we expect; and
- link compensation to the achievement of near-term and long-term corporate goals that we believe best correlate with the creation of long-term shareholder value.

To achieve these objectives we have developed a compensation program that combines annual and long-term components, cash and equity, and fixed and variable payments, with a strong bias toward compensation that is dependent on company performance, particularly long-term, equity-based compensation. Our executive compensation program rewards our executive officers when they build long-term shareholder value, achieve annual business goals and maintain long-term careers with Danaher.

**Determining Named Executive Officer Compensation**

The Committee exercises its judgment in making executive compensation decisions. Within the overall framework of the objectives discussed above, the factors that generally shape particular executive compensation decisions are the following:

- <u>The executive s relative level of responsibility within Danaher and the impact of his or her position on Danaher s performan</u>ce. The Committee believes that both the amount and at-risk nature of the compensation should increase with one s level of responsibility, holding the most senior executives most accountable for long-term operating results and changes in shareholder value.
- <u>Danaher s operational and financial performanc</u>e. Our cash incentive compensation payments vary annually to reflect near-term changes in operating and financial results. In addition, our long-term compensation is more sensitive to changes in long-term company performance than many comparable programs because we apply vesting terms that are longer than typical for our peer group and avoid using cash-based long-term incentives.
- <u>The executive s record of performance, tenure and long-term leadership potenti</u>al.
- <u>Our assessment of pay levels and practices in the competitive marketplace</u>. The Committee considers market practice in determining pay levels and compensation design, to ensure that our costs are sustainable relative to peers and compensation is appropriately positioned to attract and retain talented executives. We have a history of successfully applying the Danaher Business System, or DBS (a proprietary set of processes and methodologies we use that are designed to continuously improve business performance) to deliver strong operating performance and create shareholder value, and we devote significant resources to training our executives in DBS. In addition, given our expectations regarding future growth, our Board and Committee have engaged a corps of named executive officers capable of leading a significantly larger company. As a result of these factors, we believe that our officers are particularly valued by other companies with greater resources, which creates a high degree of retention risk.

The philosophy and goals of our compensation program have remained consistent over time, although the Committee considers the factors above within the context of the then-prevailing economic environment and may adjust the terms and/or amounts of compensation so that they continue to support our objectives.

21

The Company provides its shareholders with an opportunity to cast an annual advisory vote with respect to its named executive officer compensation as disclosed in the Company s annual proxy statement (the say on pay proposal ). At the Company s annual meeting of shareholders in May 2011, a substantial majority of the votes cast on the say on pay proposal were voted in favor of the proposal. The Committee believes this result affirms shareholders support of the Company s named executive officer compensation and therefore did not make changes to the Company s executive compensation program as a result of such vote.

For a description of the role of the Company s executive officers and the Committee s independent compensation consultant in the executive compensation process, please see Corporate Governance Board of Directors and Committees of the Board Compensation Committee.

**Risk Considerations and Review of Executive Compensation Practices**

Risk-taking is a necessary part of growing a business, and prudent risk management is necessary to deliver long-term, sustainable shareholder value. The Committee believes that the Company s executive compensation program supports the objectives described above without encouraging inappropriate or excessive risk-taking. In reaching this conclusion, the Committee considered in particular the following attributes and risk-mitigation features of our compensation program:

- our program s emphasis on long-term, equity-based compensation, which discourages risk-taking that produces short-term results at the expense of building long-term shareholder value;
- vesting terms that are longer than typical for our peer group, which (together with our recoupment policy) help ensure that our executives realize their compensation over a time horizon that is consistent with achieving long-term shareholder value;
- the balance between options and RSUs within our equity compensation program, which yields an overall degree of leverage that the Committee believes is appropriate;
- the use of multiple performance metrics and both one- and three-year historical performance periods in our annual cash incentive compensation plan, which mitigate the incentive to overperform in any single year or with respect to any single financial metric at the expense of other years or financial metrics;
- the Committee s ability to use negative discretion to reduce annual cash incentive compensation payments and the number of shares paid upon vesting of RSUs;
- caps on payment amounts under our annual cash incentive compensation plan;
- our executive stock ownership guidelines;
- our policy that prohibits Danaher employees from engaging in any transactions involving a derivative of a Danaher security;
- the diversified nature of Danaher s portfolio of businesses with respect to markets served, products and services sold and geographic footprint; and
- the Committee s (and Nominating & Governance Committee s) use of an independent compensation consultant that performs no other services for Danaher.

22

**Analysis of 2011 Named Executive Officer Compensation**

Our 2011 executive compensation program consisted of four elements, listed in order of significance:

| Element | Form of Compensation | Primary Objectives |
|---|---|---|
| Long-Term Incentive Compensation | Stock options with extended time-based vesting periods | Attract, retain and motivate skilled executives and encourage loyalty to Danaher |
| | | Align the interests of management and shareholders by ensuring that realized compensation is commensurate with long-term changes in share price |
| | Performance-based restricted stock units with extended time-based vesting periods | Attract, retain and motivate skilled executives and encourage loyalty to Danaher |
| | | Align the interests of management and shareholders by tying realized compensation to (1) long-term changes in share price at all price levels, and (2) attainment of financial performance goals |
| Annual Incentive Compensation | Cash | Motivate executives to achieve near-term operational and financial goals that support our long-term business objectives |
| | | Attract, retain and motivate skilled executives |
| Base Salary | Cash | Attract and retain skilled executives while avoiding a high fixed cost structure |
| | | Provide sufficient fixed compensation to (1) allow a reasonable standard of living relative to peers, and (2) mitigate incentive to pursue inappropriate or excessive risk taking to maximize variable pay opportunities |
| Other Compensation | Employee benefit plans; perquisites; severance and change-of-control benefits | Make our total executive compensation plan competitive |
| | | Improve cost-effectiveness by delivering perceived value that is higher than our actual costs |

In determining the appropriate mix of compensation elements for each named executive officer for 2011, the Committee considered the factors referred to above under Determining Named Executive Officer Compensation and exercised its judgment.

The most significant component of compensation for each named executive officer for 2011 was long-term, equity-based compensation with extended time-based vesting periods. Because this type of compensation best supports our retention and motivation objectives and closely aligns the interests of our executives and shareholders by tying earned pay to changes in our stock price over time, we believe that this type of compensation is most effective in accomplishing each of the objectives set forth under Overview and Objectives of our Named Executive Officer Compensation Program.

Annual cash incentive compensation, the variable element of an executive s annual compensation, was the next most significant component of compensation for each named executive officer. We believe its focus on near-term performance and the cash nature of the award complement the longer-term, equity-based compensation elements of the program.

Finally, in 2011 we sought to pay sufficient base salary and other compensation to avoid competitive disadvantage in the marketplace for skilled executives while simultaneously managing our fixed cost structure at a sustainable level.

*Long-Term Incentive Awards*

*Philosophy*. The long-term incentive awards that the Committee granted in 2011 consist of stock options and performance-based RSUs, each subject to extended time-based vesting criteria. The Committee believes that an equal value of stock options and RSUs yields an appropriate degree of overall leverage by effectively balancing upside potential and reward for shareholder value creation against retention and mitigation of the impact of market volatility on earned compensation:

Stock options are inherently linked to shareholder value creation, as the recipient does not receive any compensation unless our stock price rises after the date the option is granted. We believe our stock option award program has contributed significantly to our strong performance record, which in turn has generally made our stock option awards valuable over the long-term and highly effective in recruiting, motivating and retaining skilled officers.

The value attributable to RSUs is less subject to financial market volatility and supports retention even during periods of stock market declines. RSUs are also sensitive to stock price increases and decreases at all levels (compared to stock options which only reflect increases and decreases when the market price of shares exceeds the exercise price). In addition, the performance-based vesting criteria we apply to RSUs tie realization of the award more directly to operational performance under management s control (although given that RSUs are a key retention tool the Committee views the performance criteria as ancillary in importance to the time-based vesting requirement).[2]

Long time-based vesting periods, typically five years in duration, are a hallmark of both our executive stock option and RSU awards. The extended vesting terms of these awards encourage officers to take a long-term view of our performance and promote stability within our executive ranks, facilitating realization of our long-term corporate objectives.

*Grant practices*. The Committee grants equity awards under Danaher s 2007 Stock Incentive Plan (the 2007 Stock Plan ), which is described under Employee Benefit Plans 2007 Stock Incentive Plan. Executive equity awards are granted at regularly scheduled Committee meetings, at the time of an executive promotion or upon identification of a specific retention concern. The timing of equity awards has not been coordinated with the release of material non-public information. Regularly scheduled meetings of the Committee are generally scheduled in advance of the calendar year in which they occur. The Committee s general practice is to grant annual equity awards to executives at the Committee s regularly scheduled meeting in February, when the Committee reviews the performance of the executive officers and determines the other components of executive compensation. The Committee identifies a target dollar value of equity compensation to be delivered to each officer and divides the value equally between stock options and RSUs. The target dollar value attributable to RSUs is translated into a number of RSUs using a 15-day average closing price, to avoid the potential volatility impact of using a single-day closing price. The target dollar value attributable to stock options is translated into a number of stock options assuming an option value equal to 40% of such price. The exercise price for stock option awards under the 2007 Stock Plan equals the closing price of Danaher s common stock on the date of grant (or on a specified later date).

2 In 2011, the Committee used Adjusted EPS (which is defined in Footnote 3 below) as the RSU performance metric because it believes Adjusted EPS growth correlates strongly with shareholder returns. The performance-based vesting criteria applicable to the RSUs awarded to our named executive officers in 2011 are described in the footnotes to the Outstanding Equity Awards at 2011 Fiscal Year-End table.

*Determining 2011 annual equity awards*. In February 2011, the Committee granted annual equity awards to each of the named executive officers, as described in the Grants of Plan-Based Awards for Fiscal 2011 table. The Committee subjectively determined the target dollar value of equity compensation to be delivered to each officer in 2011. In making this determination, the Committee considered that the ultimate, realized value of each award will depend substantially on the Company s long-term performance and also took into account each of the following factors (none of which was assigned a particular weight by the Committee):

- The amount of equity compensation necessary to provide sufficient retention incentives in light of (1) compensation levels for the Company s peer group, and (2) the accumulated value of equity awards previously granted to the executive (including both outstanding and previously realized awards);

- the officer s level of responsibility, performance record and potential to contribute to future Company performance and assume additional leadership responsibility; and

- the risk/reward ratio of the award amount compared to the length of the vesting provisions.

In subjectively determining the target dollar value for Mr. Culp s 2011 equity award, the Committee considered in particular: the financial and operational benefits that the Company realized in 2010 from long-term investments made earlier in Mr. Culp s tenure; the impact that the acquisition of Beckman Coulter would have on the size and complexity of Danaher s business; Danaher s evolution into a leading science and technology company and the unique skill set required to successfully lead and grow such a complex business; and Mr. Culp s track record of effectively growing Danaher, identifying and cultivating key executive talent and successfully managing a diverse, complex portfolio of businesses. The Committee also considered the opportunities Mr. Culp would likely have if he were to pursue other employment, particularly in light of his success in transforming Danaher s portfolio into a high-quality science and technology enterprise. In light of these factors (none of which was assigned a particular weight by the Committee) the Committee in its judgment determined it appropriate to award Mr. Culp a target dollar value of equity compensation substantially greater than the value awarded to him in 2010.

The 2011 equity compensation awards for Danaher s named executive officers tended to be larger than the equity compensation awarded by Danaher s peers to officers in comparable positions based on recently available data, because (1) the vesting periods applicable to our awards are longer than typical for our peer group, (2) for high- level executives the Committee seeks to have equity-based compensation constitute a higher percentage of total compensation, and (3) the competitive demand for our executives requires that we make greater efforts to retain our executives.

*Annual Incentive Awards*

The Company s 2011 annual incentive awards consisted of cash incentive compensation awards granted under Danaher s 2007 Executive Incentive Compensation Plan. In February 2011, the Committee adopted a performance formula, based on period-to-period changes in earnings and cash flow, for determining the amounts to be paid to each named executive officer under the plan for 2011 (please see Employee Benefit Plans 2007 Executive Incentive Compensation Plan for a summary of the plan and a further description of the 2011 performance formula). The Committee exercised its judgment in determining the elements of the 2011 performance formula, tying award opportunities to the Company s performance and also considering the amount of bonus/annual cash incentive compensation awarded to the executive in prior years, the executive s level of responsibility, and the amount of annual cash incentive compensation that peer companies would offer such officer. The 2011 annual cash incentive awards for each of the named executive officers are set forth in the Summary Compensation Table.

The 2011 performance formula was the product of four components: the officer s base salary, multiplied or diminished (as applicable) by three discrete factors tied to Company and individual performance:

*Baseline bonus percentage*. The first of the three factors was the baseline bonus percentage. The Committee set this percentage for each officer at a level that (assuming the actual personal factor and Company performance factor fell within the ranges experienced in recent years) would yield a payout deemed by the Committee to be appropriate based on the considerations described above. The baseline bonus percentages for each named executive officer are set forth in Employee Benefit Plans 2011 Performance Formula.

*Company performance factor*. The second factor was the Company performance factor, which was intended to drive the achievement of sustainable, near-term corporate performance. For 2011, the Company retained the Adjusted EPS metric that has historically been the basis for the Company performance factor calculation, but also added a new metric based on the Company s 2011 free cash flow-to-adjusted net income conversion ratio (the Cash Flow Ratio ). Under the 2011 formula, the Adjusted EPS metric is used to determine a preliminary Company performance factor. Seventy-five percent of the preliminary Company performance factor is based on year-over-year Adjusted EPS growth, and twenty-five percent is based on compounded annual Adjusted EPS growth over the three-year period ended December 31, 2011. Once the preliminary Company performance factor is determined, it is adjusted upward or downward by up to twenty percent based on the Cash Flow Ratio, to yield the final Company performance factor (the Cash Flow Ratio only increases the preliminary Company performance factor if the ratio exceeds 110%).

The Committee used Adjusted EPS and the Cash Flow Ratio as the financial measures in this factor because it believes (1) Adjusted EPS growth correlates strongly with shareholder returns, (2) the Cash Flow Ratio complements the Adjusted EPS metric by substantiating the quality of the Company s earnings, and (3) using both Adjusted EPS and the Cash Flow Ratio helps to reduce any inappropriate risk-taking that a single performance metric may incentivize. Because the intent of this factor was to drive core operational performance and compare period-to-period operating results on a consistent basis, the Committee calculated Adjusted EPS and the Cash Flow Ratio in a manner that focused on gains and charges that it believed to be most directly related to Company operating performance during the period[3]. The Committee adjusts EPS in a similar manner in establishing the performance criteria applicable to the RSUs awarded as long-term incentive compensation. The Committee weights part of the performance factor based on three-year period Adjusted EPS performance to promote consistent, sustainable growth, and used its judgment to determine the respective weightings to apply to the one-year and three-year Adjusted EPS growth rates.

*Personal factor*. The third factor was the personal factor, which was a multiplier of 2.0 subject to reduction in the Committee s discretion based on individual performance and such other considerations as it deemed appropriate. This factor enables the Committee to apply negative discretion to adjust the formulaically determined maximum award amount down to the amount it believes is appropriate. At the

[3] Adjusted EPS means fully diluted earnings per share as determined pursuant to GAAP, but excluding (1) extraordinary or nonrecurring items in accordance with GAAP; (2) the impact of any change in accounting principles that occurs during one of the years included in the formula and the cumulative effect thereof (the Committee may either apply the changed accounting principle to all periods included in the formula, or exclude the changed accounting principle from all periods included in the formula), other than changes relating to the 2009 adoption of the new accounting standards for business combinations which are addressed separately below; (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; and (7) the impact of any discrete income tax charges or benefits identified in the period; provided, that with respect to the gains and charges referred to in items 3, 4, 5, 6(iii), 6(iv) and 7 above, only gains or charges that individually or as part of a series of related items exceed $10 million in the aggregate during the baseline and measurement periods are excluded. Cash Flow Ratio is defined as (A) Danaher s operating cash flow from continuing operations for the year ended December 31, 2011 (but excluding the cash flow benefit of any gain that is excluded from the calculation of Adjusted EPS), less 2011 purchases of property, plant and equipment, divided by (B) Danaher s net income for the year ended December 31, 2011, calculated on a basis that excludes the same items that are excluded from the calculation of Adjusted EPS.

beginning of 2011, the Committee established for each named executive officer the annual personal performance objectives described below, each of which is intended to encourage near-term performance that supports the Company s long-term business objectives. The Committee did not assign any particular weighting to the objectives. The Company s DBS philosophy is built upon the concept of continuous improvement and requires that we raise the performance bar each year for each executive officer. As a result, the 2011 personal performance objectives for our executives that were based on quantitative targets were set at levels that the Committee and management believed were achievable, but that required personal performance appreciably above the level of personal performance achieved by the executive in the prior year.

Mr. Culp s 2011 performance objectives consisted of qualitative goals relating to the successful integration of the Beckman Coulter acquisition, the successful completion of a unified platform for the Company s dental business, the strengthening of Danaher s senior leadership organization and leadership funnels, the successful deployment of capital consistent with Danaher s portfolio strategy and Danaher Business System leadership.

Mr. Comas 2011 performance objectives consisted of qualitative goals relating to the successful financing of the Beckman Coulter acquisition, improving the effectiveness of Company s corporate development organization and driving a successful acquisition and divestiture strategy, improving the effectiveness and efficiency of the investor relations function, helping to lead the successful integration of Beckman Coulter and improvements in the business operating and financial performance, the establishment of Danaher s chief information technology officer function and the continued strengthening of Danaher s accounting and finance organization.

Mr. Daniel s 2011 performance objectives consisted of the degree of year-over-year core revenue and operating profit margin growth and return on invested capital improvement and amount of capital deployed for acquisitions, in each case relating to his businesses and/or one or more sub-units thereof; quantitative goals for his businesses relating to working capital turns, manufacturing quality, on-time delivery and human resources-related metrics; and qualitative objectives for his businesses and/or one or more sub-units thereof relating to the successful integration of a newly acquired business, the strengthening of emerging market capabilities and the compliance/risk management organization and the expansion of the leadership talent funnel.

Mr. Joyce s 2011 performance objectives consisted of the degree of core revenue and operating profit margin growth and cost reductions achieved following the acquisition date with respect to a newly acquired business; the degree of year-over-year core revenue and operating profit margin growth with respect to a particular sub-unit of his businesses; and the amount of instrument placements and related revenues realized with respect to certain key product lines.

Mr. Lico s 2011 performance objectives consisted of the degree of year-over-year revenue, operating profit margin and cash flow growth and return on invested capital improvement and amount of capital deployed for acquisitions, in each case relating to his businesses, one or more sub-units thereof and/or for Danaher s businesses in particular geographies; quantitative goals for his businesses and/or one or more sub-units thereof relating to on-time delivery, manufacturing quality, increasing market share, human resources-related metrics and the financial performance of recent acquisitions; and qualitative objectives for one or more sub-units of his businesses and/or for Danaher s businesses in particular geographies, relating to new product introductions, the strengthening of Danaher s leadership boards in certain emerging markets, improving growth capabilities and strengthening the leadership organization.

At the end of the year, the Committee used its judgment and determined an actual personal factor of less than 2.0 for each officer. The Committee took into account the size of the Company performance factor for the year, the amount of bonus or annual cash incentive compensation awarded to the executive in prior years, the executive s execution against his personal performance objectives for the year, the officer s overall performance for the year and the amount of annual cash incentive compensation that peer companies would offer such officer.

*Base Salaries*

The Committee reviews base salaries for executive officers in February of each year or in connection with promotions. In February 2011, the Committee determined 2011 base salaries for each of the named executive officers, as set forth in the Summary Compensation Table. In determining the 2011 base salary for our CEO, the Committee considered the salary amount that would be available to him in the competitive marketplace. The Committee concluded that the CEO s existing base salary was competitive within the context of his overall compensation package, and did not increase his base salary in 2011. In determining the 2011 base salaries for each of the other named executive officers, the Committee used the prior year s base salary as the initial basis of consideration and then considered the individual factors described above under Determining Named Executive Officer Compensation, focusing on the relative level of the officer s responsibilities and the market value of the officer s role. Given that base salary is one of the elements in the formula for determining annual cash incentive compensation, the Committee also considered how changes in base salary would impact annual cash incentive compensation. For 2011, the Committee subjectively decided to increase the base salaries for each of the other named executive officers by 5-6% over their 2010 base salary amounts.

*Other Compensation*

*Severance and Change-of-Control Benefits.* In 2000, we entered into an employment agreement with Mr. Culp that provides for payments upon certain events of termination, as described in Employment Agreements Employment Agreement with H. Lawrence Culp, Jr. The amounts that Mr. Culp would have been entitled to had any termination event occurred on December 31, 2011 are set forth in Potential Payments upon Termination or Change-of-Control as of 2011 Fiscal Year-End. When the Committee agreed to these provisions, it focused on two key objectives:

- ensuring that Mr. Culp has sufficient security to avoid discouraging him from taking appropriate actions to maximize shareholder value (and in the context of a change-of-control, ensuring that Mr. Culp is not deterred from pursuing change-of-control opportunities that would maximize shareholder value); and

- ensuring the competitiveness of Mr. Culp s total compensation package as compared to other potential opportunities that may be available to him.

Any cash amounts payable to Mr. Culp in connection with a change-of-control are subject to a double-trigger, which means that the amounts are only payable if following the change-of-control Mr. Culp does not continue as the President and CEO of the most senior entity that results from the transaction. We believe a double-trigger approach strikes an appropriate balance between the potential compensation payable and the retention objectives of the provision. Mr. Culp s employment agreement also requires Danaher to pay, and make Mr. Culp whole with respect to, any excise tax payments he may owe upon a change-of-control as a result of any payments he receives. The excise tax gross-up is not intended to compensate Mr. Culp for ordinary income taxes payable on his separation and change-of-control-related benefits, but rather to ensure that he receives the benefits set forth in his employment agreement and that the after-tax value is not reduced by excise taxes that are outside the control of Mr. Culp and the Company. The Committee has adopted a position that it will not agree to any tax-reimbursement or gross-up provisions in any future executive officer compensation arrangement, except under a plan or policy applicable to management employees of the Company generally such as a relocation or expatriate tax equalization policy.

Mr. Culp s severance and change-of-control arrangement is different from the other named executive officers because when it was entered into, it reflected terms common with respect to the CEO position. We have entered into agreements with each of our other named executive officers that provide for severance payments under certain circumstances as consideration for post-employment non-competition, non-solicitation and confidentiality obligations (Mr. Culp has agreed to similar post-employment covenants in his employment agreement). We believe that these post-employment restrictive covenants are critical in protecting our proprietary assets. Other than as described above, we have no employment agreement with any named executive officer.

*Benefits and Perquisites.* All of our executives are eligible to participate in our employee benefit plans, including our group medical, dental, vision, disability, accidental death and dismemberment, life insurance, flexible spending and 401(k) plans. These plans are generally available to all U.S. salaried employees and do not discriminate in favor of executive officers. In addition, the Committee makes available certain perquisites to the named executive officers; please see the footnotes to the Summary Compensation Table for additional details. We believe these perquisites help make our total executive compensation plan competitive, are generally commensurate with the perquisites offered by our peers, are cost-effective in that the perceived value of these items is higher than our actual cost, and (with respect to the professional services and airplane use in particular) help to maximize the amount of time that the executives spend on Danaher business. We do not provide tax gross-ups with respect to any perquisites.

In addition, each named executive officer participates in the Amended and Restated Danaher Corporation & Subsidiaries Executive Deferred Incentive Program, or EDIP. The EDIP is a shareholder-approved, non-qualified, unfunded deferred compensation program available to selected members of our management; for a summary of the plan, please see Employee Benefit Plans Executive Deferred Incentive Program. We use the EDIP to contribute amounts to executives retirement accounts on a tax effective basis, and to give our executives a tax effective way to save for retirement. The amount we contribute annually to the executives EDIP accounts is set at a level that we believe is competitive with comparable plans offered by other companies in our industry. EDIP participants do not begin vesting in the amounts that we contribute to their EDIP account until they have participated in the program for five years, and do not fully vest in such amounts until they have participated in the program for 15 years or have reached age 55 with at least five years of service with Danaher. EDIP participants may defer on a tax-free basis all or any portion of their salary and bonus in a given year. Given that the EDIP is intended as a vehicle for retirement savings, the earnings rates we offer for EDIP balances are generally the same as for the funds offered under our 401(k) plan with limited exceptions.

*Analysis of CEO Compensation Compared to Other NEO Compensation*

The Committee subjectively considers the ratio of our CEO s compensation to the compensation of the other named executive officers in determining named executive officer compensation. In 2011 our CEO received substantially more compensation than the other named executive officers and the relatively larger amount of Mr. Culp s equity awards as a percentage of his total compensation emphasizes our belief that the amount and the at-risk nature of compensation should increase commensurate with the level of responsibility. Specific factors the Committee considered in setting Mr. Culp s relative compensation (none of which was assigned a particular weight by the Committee) include: (i) the importance of the CEO position in an organization as diversified, complex and acquisitive as ours, (ii) given our expectations of future growth, we have selected a CEO capable of leading a company that is significantly larger and more complex than Danaher is today and by doing so Mr. Culp is particularly attractive to larger companies with greater resources, and (iii) Mr. Culp has a 21-year tenure with Danaher and has served as an executive officer longer than any other named executive officer, and his record of performance at each level at which he has served has been exemplary.

**Peer Group Compensation Analysis**

The Committee does not target a specific competitive position versus the market in determining the compensation of its executives because in light of the Company s complex mix of businesses, strict benchmarking against a selected group of companies would not provide a meaningful basis for establishing compensation. However, the Committee believes it is important to clearly understand the relevant market for executive talent to inform its decision-making and ensure that our executive compensation program supports our attraction and retention needs and is fair and efficient. As a result, the Committee has worked with F.W. Cook to develop a peer group for purposes of assessing competitive compensation practices, and periodically reviews compensation data for the peer group derived from publicly filed proxy statements. The Committee periodically reviews the companies included in the peer group to ensure that the peer group remains appropriate.

The Company s 2011 peer group consisted of the companies set forth below, and is the same as the Company s 2010 peer group. The Committee selected companies for inclusion in the peer group based on (i) the extent to which they compete with us in one or more lines of business, for executive talent and for investors, and (ii) comparability of revenues, market capitalization and net income. We ranked between the median and the 75th percentile of the group with respect to revenue, and at approximately the 75th percentile with respect to market capitalization and net income.

| | | |
|---|---|---|
| 3M Company | Emerson Electric Co. | Rockwell Automation Inc. |
| Agilent Technologies Inc. | Honeywell International Inc. | SPX Corp. |
| Becton Dickinson & Co. | Illinois Tool Works, Inc. | Textron Inc. |
| Cooper Industries | ITT Corporation | Thermo Fisher Scientific Inc. |
| Covidien Ltd. | Medtronic Inc. | Tyco International Ltd |
| Dover Corp. | Parker-Hannifin Corp. | United Technologies Corp. |
| Eaton Corp. | PerkinElmer Inc. | |

The data that the Committee reviewed in 2011 in connection with its 2011 executive compensation decisions estimated the 25th, median and 75th percentile positions among our peers with respect to base salary, annual cash incentive compensation (target and actual), total annual cash compensation (target and actual), long-term incentive compensation, total direct compensation (target and actual), all other compensation, annual change in pension value and above-market interest on non-qualified deferred compensation, and actual total compensation, in each case with respect to each respective named executive officer position.

**Tax Deductibility of Named Executive Officer Compensation**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation in excess of $1 million paid for any fiscal year to a company s CEO or to any of the company s other three most highly compensated executive officers (other than the CFO). The statute generally exempts qualifying performance-based compensation from the deduction limit if certain conditions are met. The Committee has taken the steps it believes are necessary to preserve the deductibility of all annual cash incentive compensation awards and equity awards made to each of the named executive officers. In determining base salary, benefits, perquisites and other compensation, the Committee considers tax deductibility but a more important goal is to offer compensation that is competitive within our peer group. For 2011, the Company believes approximately $275,482 of Mr. Culp s compensation is not deductible under 162(m). The Company believes that the compensation paid in 2011 to each of the other named executive officers is deductible under 162(m).

**Stock Ownership Requirements and Hedging Policy**

To further align management and shareholder interests and discourage inappropriate or excessive risk-taking, our stock ownership policy requires each executive officer to obtain a substantial equity stake in Danaher within five years of their appointment to an executive position. Our CEO is required to own shares with a market value of at least five times his base salary. The requirement for Executive Vice Presidents is three times base salary and for Senior Vice Presidents, two times base salary. Once an executive officer has acquired a number of Company shares that satisfies the ownership multiple then applicable to him or her, such number of shares then becomes his or her minimum ownership requirement (even if the officer s salary increases or the fair market value of such shares subsequently changes) until he or she is promoted to a higher level. Under the policy, beneficial ownership includes shares in which the officer or his or her spouse or child has a direct or indirect interest, notional shares of Danaher stock in the EDIP plan, shares held in a 401(k) plan, and unvested RSUs, but does not include shares subject to unexercised stock options. Each named executive officer was in compliance with the stock ownership requirements as of December 31, 2011.

Danaher policy also prohibits Danaher employees from engaging in any transactions involving a derivative of a Danaher security, including hedging transactions.

**Recoupment Policy**

To further discourage inappropriate or excessive risk-taking, in March 2009 the Committee adopted a recoupment policy applicable to Danaher s executive officers, other individuals who serve on the Danaher Leadership Team (which consists primarily of Company corporate officers) and certain other employees, including each of the named executive officers (the covered persons ). Under the policy, in the event of a material restatement of Danaher s consolidated financial statements (other than any restatement required pursuant to a change in applicable accounting rules), Danaher s Board may, to the extent permitted by law and to the extent it determines that it is in Danaher s best interests to do so, in addition to all other remedies available to Danaher require reimbursement or payment to Danaher of:

- the portion of any annual incentive compensation payment awarded to any covered person within the three year period prior to the date such material restatement is first publicly disclosed that would not have been awarded had the consolidated financial statements that are the subject of such restatement been correctly stated (except that the Board shall have the right to require reimbursement of the entire amount of any such annual incentive compensation payment from any covered person whose fraud or other intentional misconduct in the Board s judgment alone or with others caused such restatement); and

- all gains from equity awards granted on or after March 15, 2009 realized by any covered person during the twelve-month period immediately following the original filing of the consolidated financial statements that are the subject of such restatement, if the covered person s fraud or other intentional misconduct in the Board s judgment alone or with others caused such restatement.

In addition, the stock plans in which Danaher s executive officers participate each contains a provision for recovering awards upon certain circumstances. Under the terms of the Company s 2007 Stock Plan and the 1998 Stock Plan, no associate can exercise any outstanding equity award after the time he or she is terminated, if the termination is for gross misconduct. In addition, under the terms of the EDIP, if the Administrator determines that termination of an employee s participation in the EDIP resulted from the employee s gross misconduct, the Administrator may determine that the employee s vesting percentage is zero with respect to all balances that were contributed by Danaher.

**Compensation Committee Report**

*This report is not deemed to be soliciting material or to be filed with the SEC or subject to the SEC s proxy rules or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed to be incorporated by reference into any prior or subsequent filing by Danaher under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Danaher specifically incorporates this report by reference therein.*

The Compensation Committee of Danaher Corporation s Board has reviewed and discussed with management the Compensation Discussion and Analysis set forth above and, based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

**Compensation Committee of the Board of Directors**

Donald J. Ehrlich (Chair)

Mortimer M. Caplin

Alan G. Spoon

**Summary Compensation Table**

The following table sets forth information regarding compensation earned for 2011, 2010 and 2009 by our President and Chief Executive Officer, our Executive Vice President and Chief Financial Officer, and our three other most highly compensated executive officers who were serving as executive officers as of December 31, 2011, also known as our named executive officers.

| Name and Principal Position | Year | Salary ($) (1) | Bonus ($) (2) | Stock Awards ($) (3) | Option Awards ($) (3) | Non-Equity Incentive Plan Compensation ($) (2) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (4) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| **H. Lawrence Culp, Jr.,** | | | | | | | | | |
| President and CEO | 2011 | $ 1,117,778 | 0 | $ 7,678,268 | $ 7,382,003 | $ 4,750,000 | $ 2,300 | $ 722,068(5) | $ 21,652,417 |
| | 2010 | $ 1,117,778 | 0 | $ 6,738,383(6) | $ 4,258,985 | $ 4,400,000 | $ 2,244 | $ 514,854 | $ 17,032,244 |
| | 2009 | $ 953,958 | 0 | $ 4,449,114 | $ 5,236,378 | 0 | $ 2,008 | $ 407,854 | $ 11,049,312 |
| **Daniel L. Comas,** | | | | | | | | | |
| Executive Vice President and CFO | 2011 | $ 630,000 | 0 | $ 1,791,687 | $ 1,722,493 | $ 1,350,000 | $ 2,904 | $ 253,261(7) | $ 5,750,345 |
| | 2010 | $ 600,152 | 0 | $ 1,693,955(6) | $ 1,303,145 | $ 1,200,000 | $ 2,833 | $ 290,296 | $ 5,090,381 |
| | 2009 | $ 535,031 | $ 262,500 | $ 1,273,993 | $ 1,500,319 | 0 | $ 2,536 | $ 178,513 | $ 3,752,892 |
| **William K. Daniel II** | | | | | | | | | |
| Executive Vice President | 2011 | $ 570,000 | 0 | $ 1,279,918 | $ 1,230,461 | $ 1,000,000 | 0 | $ 70,939(8) | $ 4,151,318 |
| | 2010 | $ 540,152 | 0 | $ 1,345,386(6) | $ 1,066,259 | $ 970,000 | 0 | $ 64,145 | $ 3,985,942 |
| | 2009 | $ 480,156 | $ 175,000 | $ 1,042,597 | $ 952,048 | 0 | 0 | $ 99,380 | $ 2,749,181 |
| **Thomas P. Joyce, Jr.** | | | | | | | | | |
| Executive Vice President | 2011 | $ 570,000 | 0 | $ 1,535,802 | $ 1,476,477 | $ 1,200,000 | $ 4,632 | $ 106,589(8) | $ 4,893,500 |
| | 2010 | $ 540,152 | 0 | $ 1,707,017(6) | $ 1,303,145 | $ 1,100,000 | $ 4,515 | $ 95,427 | $ 4,750,256 |
| | 2009 | $ 480,156 | $ 275,000 | $ 1,273,993 | $ 1,500,319 | 0 | $ 4,039 | $ 112,019 | $ 3,645,526 |
| **James A. Lico,** | | | | | | | | | |
| Executive Vice President | 2011 | $ 570,000 | 0 | $ 1,535,802 | $ 1,476,477 | $ 1,100,000 | $ 3,063 | $ 88,764(8) | $ 4,774,106 |
| | 2010 | $ 540,152 | 0 | $ 1,680,893(6) | $ 1,303,145 | $ 1,100,000 | $ 2,990 | $ 77,944 | $ 4,705,124 |
| | 2009 | $ 480,156 | $ 250,000 | $ 1,273,993 | $ 1,500,319 | 0 | $ 2,677 | $ 111,524 | $ 3,618,669 |

(1) Mr. Joyce deferred $120,000 of his salary for each of 2011, 2010 and 2009 into the EDIP. Mr. Daniel deferred $72,000 of his salary for each of 2011 and 2010 and $48,000 of his 2009 salary into the EDIP. Each of the named executive officers also contributed a portion of his 2011, 2010 and 2009 salaries to the Danaher 401(k) Plan.

(2) Mr. Culp deferred $475,000 of his non-equity incentive plan compensation for 2011 and $1,100,000 of his non-equity incentive plan compensation for 2010 into the EDIP. Mr. Lico deferred $100,000 of his non-equity incentive plan compensation for each of 2011 and 2010, respectively, into the EDIP and deferred $100,000 of his bonus compensation for 2009 into the EDIP. Mr. Joyce deferred $300,000 of his non-equity incentive plan compensation for 2011 and $220,000 of his non-equity incentive plan compensation for 2010 into the EDIP.

(3) The amounts reflected in these columns represent the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for equity grants made in the applicable year. With respect to restricted stock units, the grant date fair value under FASB ASC Topic 718 is calculated based on the number of shares of Common Stock underlying the RSU, times the closing price of the Danaher Common Stock on the date of grant. With respect to stock options, the grant date fair value under FASB ASC Topic 718 has been calculated using the Black-Scholes option pricing model, based on the following assumptions (and

assuming no forfeitures):

| Name | Year of grant | Risk-free interest rate | Stock price volatility rate | Dividend yield | Option life |
|---|---|---|---|---|---|
| Culp | 2011 | 3.19% | 27.0% | 0.2% | 8.5 years |
| | 2010 | 3.37% | 30.0% | 0.2% | 8.5 years |
| | 2009 | 2.71% | 35.0% | 0.2% | 9.5 years |
| Daniel | 2011 | 3.19% | 27.0% | 0.2% | 8.5 years |
| | 2010 | 3.41% | 30.0% | 0.2% | 8.5 years |
| | 2009 | 2.08% | 35.0% | 0.2% | 6.0 years |
| Comas, Joyce, Lico | 2011 | 3.19% | 27.0% | 0.2% | 8.5 years |
| | 2010 | 3.41% | 30.0% | 0.2% | 8.5 years |
| | 2009 | 2.71% | 35.0% | 0.2% | 9.5 years |

(4) For each named executive officer, the amount set forth represents the aggregate change in the actuarial present value of the officer s accumulated benefit under the Cash Balance Plan of the Danaher Corporation & Subsidiaries Pension Plan between the December 31, 2010 plan measurement date and the December 31, 2011 plan measurement date. The material assumptions used in quantifying the present value of the accumulated benefit at each of December 31, 2010 and December 31, 2011 are as follows: an interest crediting rate (applied from the plan measurement date until normal retirement age) of 4.2% for the plan measurement date of December 31, 2010 and 3.5% for the plan measurement date of December 31, 2011; a retirement age of 65, which is normal retirement age under the Cash Balance Plan; payment of the accrued obligations in a lump sum upon retirement; and the discount rates as set forth in Note 11 to Danaher s consolidated financial statements included in Danaher s Annual Report on Form 10-K for the year ended December 31, 2011. We do not provide any above-market or preferential earnings on compensation that is deferred on a basis that is not tax qualified.

(5) Includes $17,464 in Danaher contributions to Mr. Culp s account in the 401(k) Plan; $251,500 in Danaher contributions to his account in the EDIP; and an aggregate of $453,104 in perquisites consisting of the following: $396,393 relating to personal use of Danaher s aircraft, plus amounts related to tax preparation and professional services, parking expenses and tickets to entertainment events. For purposes of the Summary Compensation Table, the incremental cost to the Company of the personal aircraft use is calculated by multiplying the total number of personal flight hours times the average direct variable operating costs (including costs related to fuel, on-board catering, maintenance expenses related to operation of the plane during the year, landing and parking fees, navigation fees, related ground transportation, crew accommodations and meals and supplies) per flight hour for the particular aircraft for the year. Since the aircraft is used primarily for business travel, we do not include in the calculation the fixed costs that do not change based on usage, such as crew salaries, the lease or acquisition cost of the aircraft, exterior paint and other maintenance and inspection and capital improvement costs intended to cover a multiple-year period. The Company does not provide tax gross-ups with respect to any perquisites received by any executive officer.

(6) In February 2010, the Committee paid all of Mr. Culp s discretionary bonus for 2009 (and one-half of the discretionary bonuses for 2009 paid to each of the other named executive officers) in RSUs subject to time and performance-based vesting. Even though these awards relate to 2009 performance, in accordance with SEC rules they are disclosed as 2010 Stock Awards in this table because they were granted in 2010. Of the amounts set forth in the Stock Awards column for 2010, the following portions are attributable to these 2009 discretionary bonuses: for Mr. Culp, $2,089,920; Mr. Comas, $271,690; Mr. Daniel, $181,375; Mr. Joyce, $284,752; and Mr. Lico, $258,628.

(7) Includes $17,464 in Danaher contributions to Mr. Comas account in the 401(k) Plan; $99,025 in Danaher contributions to his account in the EDIP; and an aggregate of $136,772 in perquisites consisting of the following: $127,653 relating to personal use of Danaher s aircraft, plus amounts relating to tax preparation and professional services, parking expenses and tickets to entertainment events. The incremental cost to the Company of the personal aircraft use is calculated in the same manner as set forth in Footnote (5) above.

(8) With respect to Mr. Daniel, consists of $17,464 in Danaher contributions to his account in the 401(k) Plan and $53,475 in Danaher contributions to his account in the EDIP; with respect to Mr. Joyce, consists of $17,464 in Danaher contributions to his account in the 401(k) Plan and $89,125 in Danaher contributions to his account in the EDIP; and with respect to Mr. Lico, consists of $17,464 in Danaher contributions to his account in the 401(k) Plan and $71,300 in Danaher contributions to his account in the EDIP.

**Grants of Plan-Based Awards for Fiscal 2011**

The following table sets forth certain information regarding grants of plan-based awards to each of our named executive officers in 2011.

| Name | Type of Award | Grant Date | Estimated Possible Payouts Under Non-Equity Incentive Plan Awards (1) Target ($) | Maximum ($) | Estimated Future Payouts Under Equity Incentive Plan Awards (2) Target (#) | All Other Option Awards: Number of Securities Underlying Options (#) (2) | Exercise or Base Price of Option Awards ($/Share) | Grant Date Fair Value of Stock and Option Awards ($) (3) |
|---|---|---|---|---|---|---|---|---|
| H. Lawrence Culp, Jr. | Annual cash incentive compensation | 2/23/2011 | $ 5,000,000 | $ 5,000,000 | | | | |
| | Stock options | 2/23/2011 | | | | 387,080(4) | $ 49.59 | $ 7,382,003 |
| | Performance-based restricted stock units | 2/23/2011 | | | 154,835(5) | | | $ 7,678,268 |
| Daniel L. Comas | Annual cash incentive compensation | 2/23/2011 | $ 1,883,700 | $ 5,000,000 | | | | |
| | Stock options | 2/23/2011 | | | | 90,320(4) | $ 49.59 | $ 1,722,493 |
| | Performance-based restricted stock units | 2/23/2011 | | | 36,130(5) | | | $ 1,791,687 |
| William K. Daniel II | Annual cash incentive compensation | 2/23/2011 | $ 1,704,300 | $ 5,000,000 | | | | |
| | Stock options | 2/23/2011 | | | | 64,520(4) | $ 49.59 | $ 1,230,461 |
| | Performance-based restricted stock units | 2/23/2011 | | | 25,810(5) | | | $ 1,279,918 |
| Thomas P. Joyce, Jr. | Annual cash incentive compensation | 2/23/2011 | $ 1,704,300 | $ 5,000,000 | | | | |
| | Stock options | 2/23/2011 | | | | 77,420(4) | $ 49.59 | $ 1,476,477 |
| | Performance-based restricted stock units | 2/23/2011 | | | 30,970(5) | | | $ 1,535,802 |
| James A. Lico | Annual cash incentive compensation | 2/23/2011 | $ 1,704,300 | $ 5,000,000 | | | | |
| | Stock options | 2/23/2011 | | | | 77,420(4) | $ 49.59 | $ 1,476,477 |
| | Performance-based restricted stock units | 2/23/2011 | | | 30,970(5) | | | $ 1,535,802 |

(1) These columns relate to potential cash award opportunities in 2011 under Danaher s 2007 Executive Incentive Compensation Plan. Payout opportunities under these awards were based on the degree of period-to-period increase or decline in Danaher s earnings per share and Danaher s free cash flow-to-net income conversion ratio for the year (in each case, as adjusted for specified items), rather than based on achievement of a specific performance goal, and the Committee s exercise of negative discretion. As such there was no threshold or target specified for these awards. See Employee Benefit Plans for a description of Danaher s 2007 Executive Incentive Compensation Plan. Because there was no target specified for these awards, pursuant to Instruction 2 of Item 402(d) under Regulation S-K promulgated under the Securities Exchange Act, the amounts set forth in the Target column are theoretical amounts based upon the prior year s level of Company financial performance. Because there was no threshold specified for these awards, the Threshold column has been omitted.

(2) These columns relate to awards granted under the 2007 Stock Incentive Plan (the 2007 Plan ), the terms of which apply to all of the equity awards described in this table. Please see Employee Benefit Plans for a description of the 2007 Plan.

(3) Reflects the grant date fair value of RSU awards and stock option awards, as applicable, calculated in accordance with FASB ASC Topic 718. For the assumptions used in determining the grant date fair value under FASB ASC Topic 718, please see Footnote 3 to the Summary Compensation Table.

(4) For a description of the vesting terms of the award, please see Footnote 3 to the Outstanding Equity Awards at 2011 Fiscal Year-End Table.

(5) For a description of the vesting terms of the award, please see Footnote 6 to the Outstanding Equity Awards at 2011 Fiscal Year-End Table.

**Outstanding Equity Awards at 2011 Fiscal Year-End**

The following table summarizes the number of securities underlying outstanding equity awards for each named executive officer as of December 31, 2011. All of the awards set forth in the table below granted on or before May 15, 2007 are governed by the terms and conditions of the Amended and Restated 1998 Stock Option Plan (the 1998 Plan ), and the awards granted after May 15, 2007 are governed by the terms and conditions of the 2007 Plan.

| | | Option Awards | | | | Stock Awards | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Name** | **Grant Date** | **Number of Securities Underlying Unexercised Options (#) Exercisable** | **Number of Securities Underlying Unexercised Options (#) Unexercisable (1)** | **Option Exercise Price ($)** | **Option Expiration Date** | **Number of Shares or Units of Stock That Have Not Vested (#) (1)** | **Market Value of Shares or Units of Stock That Have Not Vested ($) (2)** | **Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (1)** | **Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (2)** |
| H. Lawrence Culp, Jr. | 2/23/2011 | | 387,080(3) | $ 49.59 | 2/23/2021 | | | | |
| | 2/25/2010 | | 311,808(3) | $ 37.27 | 2/25/2020 | | | | |
| | 2/24/2009 | | 422,800(3) | $ 26.29 | 2/24/2019 | | | | |
| | 2/27/2006 | 1,621,000(4) | | $ 30.84 | 2/27/2016 | | | | |
| | 12/2/2003 | 175,000(5) | | $ 20.74 | 3/26/2013 | | | | |
| | 9/26/2003 | 575,000(5) | | $ 18.58 | 3/26/2013 | | | | |
| | 6/27/2003 | 575,000(5) | | $ 17.08 | 3/26/2013 | | | | |
| | 3/26/2003 | 81,596(5) | | $ 16.72 | 3/26/2013 | | | | |
| | 2/23/2011 | | | | | | | 154,835(6) | $ 7,283,438 |
| | 2/23/2010 | | | | | 28,000(7) | $ 1,317,120 | | |
| | 2/25/2010 | | | | | 124,724(8) | $ 5,867,016 | | |
| | 2/24/2009 | | | | | 169,200(8) | $ 7,959,168 | | |
| | 2/27/2006 | | | | | 648,000(9) | $ 30,481,920 | | |
| Daniel L. Comas | 2/23/2011 | | 90,320(3) | $ 49.59 | 2/23/2021 | | | | |
| | 2/23/2010 | | 95,280(3) | $ 37.32 | 2/23/2020 | | | | |
| | 2/24/2009 | | 121,140(3) | $ 26.29 | 2/24/2019 | | | | |
| | 2/20/2008 | | 109,280(3) | $ 37.75 | 2/20/2018 | | | | |
| | 2/22/2007 | 50,600(3) | 50,600(3) | $ 37.07 | 2/22/2017 | | | | |
| | 5/4/2005 | 200,000 | | $ 25.85 | 5/4/2015 | | | | |
| | 5/4/2005 | 200,000 | | $ 25.85 | 5/4/2015 | | | | |
| | 3/2/2004 | 50,000 | | $ 22.62 | 3/2/2014 | | | | |
| | 2/23/2011 | | | | | | | 36,130(6) | $ 1,699,555 |
| | 2/23/2010 | | | | | 3,640(7) | $ 171,225 | | |
| | 2/23/2010 | | | | | 38,110(8) | $ 1,792,694 | | |
| | 2/24/2009 | | | | | 48,450(8) | $ 2,279,088 | | |
| | 2/20/2008 | | | | | 29,140(8) | $ 1,370,745 | | |
| | 2/22/2007 | | | | | 13,500(8) | $ 635,040 | | |

| | | Option Awards | | | | Stock Awards | | | |
|---|---|---|---|---|---|---|---|---|---|
| Name | Grant Date | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable (1) | Option Exercise Price ($) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) (1) | Market Value of Shares or Units of Stock That Have Not Vested ($) (2) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (1) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (2) |
| William K. Daniel II | 2/23/2011 | | 64,520(3) | $ 49.59 | 2/23/2021 | | | | |
| | 2/23/2010 | | 77,960(3) | $ 37.32 | 2/23/2020 | | | | |
| | 2/24/2009 | | 99,120(10) | $ 26.29 | 2/24/2019 | | | | |
| | 7/24/2008 | | 26,140(3) | $ 39.82 | 7/24/2018 | | | | |
| | 2/20/2008 | | 39,740(3) | $ 37.75 | 2/20/2018 | | | | |
| | 2/22/2007 | 14,200(3) | 14,200(3) | $ 37.07 | 2/22/2017 | | | | |
| | 9/12/2006 | 30,000 | | $ 32.46 | 9/12/2016 | | | | |
| | 2/23/2011 | | | | | | | 25,810(6) | $ 1,214,102 |
| | 2/23/2010 | | | | | 2,430(7) | $ 114,307 | | |
| | 2/23/2010 | | | | | | | | |