

**COMPANY VEHICLE
POLICY AND PROCEDURE MANUAL
FOR CANADIAN ASSOCIATES**

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Revision 1.0

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Danaher Vehicle Policy

1. Purpose

The purpose of the Company Vehicle Policy is to provide guidelines for eligibility, administration, and the safe and lawful operation of company vehicles. The Policy applies to all Canadian associates of Danaher or its subsidiaries who are assigned a company vehicle and to associates who routinely drive a company vehicle while in the performance of their job. The Company Vehicle Policy includes guidance and procedures for the following:

- Eligibility for a Company Vehicle
- Policy Compliance
- Motor Vehicle Safety
- Vehicle Assignment and Acquisition
- Vehicle Operation and Maintenance
- Associate Responsibilities

While this Policy is not all-inclusive, its goal is to establish adequate guidelines for businesses to make reasonable judgments for the safe and cost-efficient use of company fleet vehicles. The Policy is designed to help operating companies and associates comply with the requirements of local, provincial, and federal laws, including the CRA.

Danaher has selected an external provider, Element Fleet Management, to assist with vehicle leasing, fleet management, and safety management. All Danaher subsidiaries with company vehicles in Canada are required to use the Danaher selected fleet provider.

2. Responsibility for Policy

This Policy sets the minimum requirements and controls over any company-owned or company-leased vehicles. All company-leased vehicles **MUST** be supplied through the selected Danaher fleet provider.

All drivers are responsible to understand and comply with this Policy. Associates must complete and sign Exhibit A Driver Policy Acknowledgement Form prior to being assigned a company vehicle.

Operating company policies may be more restrictive (but not less restrictive). Associates must contact their operating company fleet administrator regarding additional policies that may apply.

The Danaher corporate functions of Human Resources, Procurement, Risk Management, and Environmental, Health & Safety have responsibility to establish and update this Policy, institute administrative procedures, and monitor compliance with the Policy. Any exceptions to the Policy must be approved in advance, in writing or via email, by the local Human Resources leader and one-over-one management. Any exceptions to the vehicle selector list must also have Corporate Procurement approval. Each operating company is responsible for the administration of the Policy, the maintenance of fleet records, and compliance with all applicable local, provincial, and federal regulations.

Eligible Positions & Authorized Drivers

3. Eligibility for a Company Vehicle

Company vehicles may only be assigned to associates in eligible positions where routine vehicle use is required for the performance of their jobs. Each Danaher operating company is responsible for identifying the eligible positions that meet this definition. Eligible positions are typically limited to those in field sales, field service, and the management of field sales and service. Once eligibility is determined, the below Vehicle Eligibility Matrix shall be utilized to define the vehicle selector category available to the associate.

Danaher Vehicle Eligibility Matrix	
Position	Lease Approval Level or Purchase Price
Executive Level	Car allowances should be utilized in this category unless routine vehicle use is required for performance of the job. Car allowance amounts are determined by Human Resources of the operating company (Section 20). If routine vehicle use is required for the performance of the job, then company vehicle may be assigned from Danaher selector category Level Three or lower.
Senior Management Level	If routine vehicle use is required for the performance of the job, then company vehicle may be assigned from Danaher selector category Level Three or lower. Your fleet administrator will provide ordering procedures.
Sales Managers	If routine vehicle use is required for the performance of the job, then company vehicle may be assigned from Danaher selector category Level Two or lower. Your fleet administrator will provide ordering procedures.
Sales Associates, Applications and Technicians	If routine vehicle use is required for the performance of the job, then company vehicle may be assigned from Danaher selector category Level One . Your fleet administrator will provide ordering procedures.

Newly hired associates shall be assigned a vehicle from the current available inventory at the discretion of the local fleet administrator. If no idle vehicle is available, the associate will be assigned a rental until their new vehicle is delivered. Efforts will be made for the rental to be a like vehicle, but this cannot be guaranteed.

Associates who are eligible for a vehicle, but are temporarily not working for a long period of time due to leave of absence can keep the vehicle during their leave at the discretion of their Operating Company. It is recommended that any leave longer than 3-months be subject to return of the vehicle.

Associates who become ineligible for a company vehicle due to re-assignment to a non-eligible position must relinquish the vehicle on the effective date of the re-assignment. With written approval of the reporting manager, a quote to purchase the vehicle can be given through the fleet provider.

4. Authorized Drivers

The following individuals are authorized to operate a company vehicle subject to compliance with this policy:

- Associates of Danaher or its subsidiaries who are assigned a company vehicle or who routinely drive a company vehicle in the performance of their job
- Associate's spouse or same-sex domestic partner who is at least 21 years of age. A qualified same-sex domestic partner is someone with whom the associate shares a committed and mutually dependent relationship (as evidenced by a shared residence and financial interdependence).
- In the event of an emergency, members of the associate's immediate household who are at least 21 years of age where both the associate and household member have completed and signed an Authorized Driver Acknowledgement Form (Exhibit B).

In addition, all authorized drivers must comply with this Policy. Drivers within the associate's household are not allowed to operate a company vehicle if the driver does not possess a valid driver's license, has had a DUI/DWI-related conviction within a minimum period of the prior (3) three years, or if his/her motor vehicle record otherwise demonstrates a disregard for relevant motor vehicle safety laws.

In all cases, the associate is responsible for the safe and lawful operation of the vehicle by any driver of the vehicle.

Danaher Vehicle Selector List

5. Vehicle Selectors

The current vehicle selector of Danaher approved vehicles and options is available to fleet administrators and can be obtained from Element. The vehicles on the selector list are chosen based on safety, job requirements, fuel efficiency, and cost. This selector is revised periodically (typically, on an annual basis) to reflect changes in vehicle total cost, vehicle manufacturer incentives, and vehicle specs. Operating companies may order additional vehicle options if necessary and appropriate for business use.

Only basic colors are allowed for use in a Fleet vehicle (ex. white, black, silver, gray, brown, blue).

All-Wheel Drive (AWD) Vehicles: To qualify as eligible for an all-wheel drive (AWD) vehicle, the driver must live in an area with an average snowfall of 100 centimeters or more based on home (garaging) postal code, or spend the majority of their business travel to an area with an average snowfall of 100 centimeters or more. Any exceptions must be handled and approved by the local Fleet Administrator.

It is the responsibility of each operating company to choose the appropriate vehicles from this list to meet its unique business requirements of its drivers. Operating companies may reduce the number of vehicle models offered to their eligible associates by working with fleet provider to develop a customized vehicle selector. Any customized selector cannot exceed the offerings of the Danaher vehicle selector list. Additionally, operating companies may order additional vehicle options, if necessary and appropriate for business use.

Vehicle Responsibilities and Policy Compliance

6. Responsibility for an Assigned Vehicle

When an associate is assigned a company vehicle, the associate is responsible for the safekeeping, maintenance, and cleanliness of that vehicle and may not trade or exchange vehicles without written approval from the local fleet administrator. Assignment of a company vehicle is a privilege, provided at the option of the company. It is not a right of employment, and the privilege may be revoked at any time.

7. Policy Compliance Overview

All authorized drivers are responsible for the safe operation and maintenance of the company vehicle and for the understanding of, and compliance with, this Policy. Associates who are assigned a company vehicle, or who routinely operate a company vehicle, must comply with the following procedures before operating a company vehicle:

- Driver Policy Acknowledgment Form (**Exhibit A**) – sign and return to local fleet administrator;
- Authorized Driver Acknowledgement Form (**Exhibit B**) – sign and return to local fleet administrator;
- Motor Vehicle Report (MVR) Driver Authorization - completion by associate and each requested household driver (instructions are provided by Element or fleet administrator);
- Successful completion of the driver training program modules, if required.

Associates are accountable for ensuring that authorized drivers within the associate's household are in compliance before the household member is permitted to operate a company vehicle. **It is the responsibility of each driver to ensure that company vehicles are not driven or operated by anyone except in accordance with this policy.** Failure to comply with this policy and the conditions for driving a company vehicle listed above may result in the revocation of company vehicle privileges or disciplinary action, up to and including termination of the associate to whom the company vehicle is assigned.

Driver History Reviews, Violations, and Training

8. Driver History Review

To protect the well-being of drivers and minimize the company's liability, it is required that all drivers of a company vehicle have a driver history review, initiated by completing a form sent to each associate via e-mail link from the fleet provider. The Danaher operating company will review each driver's motor vehicle driving record (MVR) and may also review accident claim history at the company's discretion.

An associate’s failure to grant Danaher or its subsidiaries authorization to conduct a driver history review will result in revocation of company vehicle driving privileges and removal of the assigned company vehicle. Failure to comply may also affect future employment with Danaher or its subsidiaries.

Failure of an associate’s household member to grant Danaher or its subsidiaries authorization to conduct a driver history review will result in revocation of all driving privileges of the company vehicle by that household member.

- Driver history reviews will be conducted:
- For new hires or transfers into a vehicle eligible position, and annually* on all vehicle eligible associates, including household members requesting to be authorized drivers;
 - Following an “at-fault” accident involving a company vehicle.

Note: * Annual Driver History Reviews must be completed in the requested time frame. These will be conducted annually (typically in March) by the fleet provider for each Danaher operating company and its drivers.

9. Driving Violations by Job Applicants

An applicant for employment in a position that requires the operation of a company vehicle in the normal course of his/her job will not be hired if:

- A driver history review demonstrates that the applicant does not possess a valid driver’s license,
- has had a DUI/DWI-related conviction within the prior three-year period,
- , or if his/her motor vehicle record otherwise demonstrates a disregard for relevant motor vehicle safety laws.

10. Driving Violations by Associates and Household Authorized Drivers

Driver associates are required to notify their manager and fleet administrator of all driving violations or failure to maintain a valid driver’s license on the part of themselves or any household authorized driver. This includes any pending traffic or driver-related court case, in which case the driver must email a copy of the disposition to the fleet administrator and immediate manager within one (1) week of its conclusion.

Danaher or its subsidiaries will suspend or revoke company vehicle driving privileges of any authorized driver as outlined below.

TYPE OF VIOLATION
Driver does not have valid driver’s license
Two (2) or more moving violations, citations, accidents or convictions within twelve (12) month period OR Three (3) or more moving violations, citations, accidents or convictions within eighteen (18) month period
Citation for, or Conviction of, a DUI/DWI-Related Offense *

Failure to Report Violations and Any unreported MVR result not reported
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Note: This applies to the associate, and any household authorized driver.

*Refusal to submit to a law enforcement officer’s request for a sobriety test will be treated as a DUI/DWI citation.

11. Authorized Drivers Who Will Be Required to Complete Driver Training

Authorized drivers of company vehicles who have, or compile a driving record that represents a risk to Danaher or its subsidiaries, may be suspended from possessing or operating their assigned company vehicle and/or any vehicle on company business. Driver history review results that represent a risk to Danaher or its subsidiaries are noted in Section 10 above.

Driver training may also be required at the discretion of the company, and additional action, up to and including, termination of the associate. The driver training program is an online, self-study course that must be completed within thirty (30) days of being received from the fleet provider.

12. Gross and Willful Negligence

Safety and minimization of risk and liability to Danaher and its subsidiaries are of paramount concern. An associate whose driving record has deteriorated so significantly that he/she is viewed as an unacceptable driving risk may, at the sole discretion of Danaher or its subsidiaries, have his/her company vehicle assignment revoked, along with the authorization to drive any vehicle on company business. **Moreover, Danaher or its subsidiaries may revoke driving privileges and/or seek full reimbursement from an associate or a non-associate from a loss occurring as a result of gross or willful negligence by the party entrusted with the vehicles, custody, and control of the company vehicle.**

Gross or willful negligence includes, but is not limited to, the following:

- Driving under the influence of alcohol or drugs;
- Felony, homicide, or manslaughter involving use of motor vehicle;
- Operating a company vehicle without a valid driver's license;
- Leaving the scene of an accident (hit and run);
- Misrepresenting the facts concerning an accident;
- Reckless driving;
- Operating a company vehicle in an unsafe condition, while having prior notice of such condition;
- Causing damage to a third party arising from a driver's gross or willful negligence;
- Use of company vehicle for any purpose that violates federal, state, or local laws;
- Operating a vehicle without proper authorization;
- Transporting firearms in a manner that does not meet federal, state, and or local laws. At no time shall a firearm be transported while on company business;
- Transporting explosives, or illegal substances.

Motor Vehicle Safety and Driver Accountability

13. Motor Vehicle Safety

In order to minimize the potential for injury to themselves and others and to effectively manage the company's liability risk, eligible drivers must comply with all provisions of the Company Vehicle Policy and perform their driving responsibilities in a safe and lawful manner at all times when operating a company vehicle, as well as when operating other vehicles while on company business.

14. Driver Accountabilities

Driver associates and authorized drivers within the associate's household are responsible for knowing and abiding by the following procedures:

- Possession of a valid driver's license and compliance with all conditions stated on the license;
- Compliance with all motor vehicle traffic laws while operating a company vehicle (or any vehicle while on company business), including laws related to observing posted speed limits and driving under the influence of alcohol or illegal substances;
- Use of safety restraints by all occupants while operating or riding in a company vehicle (or any vehicle while on company business), including properly securing children in an appropriate child restraint system in accordance with all relevant regulations. The driver is responsible for enforcing the use of safety restraints by all occupants and ensuring that all safety restraints are maintained in good operating condition and have not been disabled or otherwise interfered with;
- Handheld mobile phone usage while operating a company vehicle is strictly prohibited;
- Use of mobile phone with hands-free device while operating a company vehicle must be minimized to the greatest extent and in accordance with all local regulations;
- Use of any device or personal computer to read, write, or send texts or emails while operating a company vehicle is strictly prohibited;
- Unauthorized towing by company vehicles is prohibited.

All drivers are **prohibited from the following** while operating a company vehicle at any time or while operating any vehicle on company business:

- Operating a vehicle while their judgment or faculties are impaired due to fatigue, consumption of alcoholic beverages, use of illegal substances, and/or use of medications that can impair judgment;
- Operating motorcycles while on company business;
- Overloading and/or overcrowding a vehicle which may result in unsafe operation or transporting more passengers than the number of safety restraint systems provided in the vehicle;
- Operating a mobile phone where, if permitted by applicable regulations, in any mode other than hands-free while operating a motor vehicle. It is strongly suggested that the vehicle is parked for all phone usage;
- Operating any device or personal computer to read, write, or send texts or emails;
- Transporting any explosives and/or illegal substances in the vehicle;
- At no time shall you transport firearms on company business, however firearms may be transported on personal time provided all federal, provincial, and local laws are met;
- Transporting any hazardous materials, substances, or wastes in the vehicle unless certified per DOT regulations. Non-hazardous materials transported in the driving compartment that have the potential to cause injury as a result of a sudden movement must be secured;
- Providing transportation to hitchhikers or strangers;
- Smoking inside of company vehicles;
- Transportation of animals in company vehicles;
- Vehicles being used for high-risk activities which include, but are not limited to, group trips (e.g., for schools or clubs), off-road use, or towing.

Adding aftermarket equipment on the company vehicle or altering the vehicle from its original intended use, including installation of an air bag on/off switch is prohibited. Operating companies are allowed to add aftermarket equipment to company vehicles, as required for business needs.

Vehicle Ordering, Replacing, Disposition, Leasing, and Transferring to another Operating Company

15. Vehicle Ordering Process

Leased and company-owned vehicle orders must be processed utilizing the Danaher / Element agreement. This includes replacements and vehicles for new eligible associates.

All vehicles leased through Element will include Fleet Management Solutions (FMS), Maintenance Management, Driver History Review (MVR), Driver Training, Fuel Card and RapidTag? services. Detailed information on these services can be obtained through the fleet provider, Element Fleet Management., RapidTag? services and Accident Services. Detailed information on these services can be obtained through the fleet provider, Element Fleet Services.

16. Vehicle Replacement

The standard guideline for vehicles to be replaced is 48 months or 132,000 km, depending on which event comes first. However, there may be exceptions to these parameters. In these cases, Element, with approval from Danaher, will present projections to operating company fleet administrators for approval.

To simplify the replacement process and help Danaher and its subsidiaries negotiate manufacturer incentives, businesses should strive to develop a semi-annual (Fall and Spring) replacement schedule. The typical Fall ordering period occurs during August, and the Spring ordering period occurs during March.

17. Vehicle Acquisition

All vehicles must be factory ordered. Factory ordering of vehicles allows Danaher and its subsidiaries to maximize savings available from our suppliers. The only exceptions to a factory order are if (1) manufacturers have shut down production of the vehicle model, or (2) the factory will take **longer than 16 weeks**. In all circumstances, accommodations should be made to avoid purchasing a vehicle directly from a dealer.

Upon finalization and approval of customized selectors in accordance with Section 5, Element will send approved selectors to eligible driver associates via e-mail. Drivers will be provided with an Element website link and password and will electronically select the vehicle of their choice. Vehicle orders will then be processed, according to associate's selections, during manufacturer's designated replacement cycles. Factory orders take approximately 8-12 weeks for completion. The associate may contact Element or their fleet administrator to check the status of their vehicle. The associate will receive an e-mail from Element when their vehicle has been built and another when the vehicle has arrived at the dealer. Current vehicle disposal is detailed in Section 22 - Vehicle Disposition.

18. Driver Paid Options

The full cost of any additional option is the sole responsibility of the associate. There is a hard cap limit of 10% of the original purchase price for any given vehicle. Maintenance costs associated with Driver Paid Options is at the discretion of the operating company. Towing packages, different trim levels, and larger engines, are not allowable upgrades.

All vehicle options will be coordinated through Element and done at the time of order. In all instances the associates' personal credit card must be utilized to pay for the desired option(s) at the time of order.

In no instance will Danaher or its subsidiaries, upon termination of the vehicle lease or termination of employment, offer any type of refund to associates that choose to add additional Driver Paid options to a vehicle. Danaher and its subsidiaries has the option to terminate any vehicle at their discretion.

19. Vehicle Leasing

All leased company vehicles are to be processed through the Danaher / Element master lease agreement. The current amortization rate to be used for vehicle leases is 60 months.

20. Car Allowances

Company vehicles may only be assigned to associates in eligible positions where routine vehicle use is required for the performance of their jobs. Each Danaher operating company is responsible for identifying the eligible positions that meet this definition. Eligible positions are typically limited to those in field sales, field service, and the management of field sales and service.

Associates currently assigned company vehicles, but whose position does not require routine vehicle use for the performance of their jobs, must be transitioned to car allowances. The operating company human resources department is responsible for establishing car allowance amounts and administering the allowances. Associates will be transitioned to car allowances at the time their current company vehicle reaches 48 months or 132,000 kms, whichever comes first, unless there is an approved exception. If the company does not have car allowances, then the associate will be reimbursed for business kilometres at the CRA rate by submitting expense reports.

Associates in eligible positions where routine vehicle use is required for the performance of their jobs (typically field sales, field service, applications and management of field sales/service) shall be assigned company vehicles under the procedures of this Policy and within the monthly rate as would be equivalent to the appropriate vehicle level. Any associate in a position meeting this definition, but who currently receives a car allowance, will be allowed to continue receiving that allowance until their current vehicle reaches 48 months or 132,000 kms, whichever comes first. At the time of replacement, the eligible associate will be required to follow the established Danaher guidelines in this Policy for determining the type of company vehicle that will be assigned to them. Except for the temporary situations mentioned above, there should be no car allowances for those in positions where routine vehicle use is required.

21. Associates Transferring/Relocating to Another Danaher Location

Associates transferring/relocating to another Danaher location (within Canada) shall maintain their current leased vehicle upon transfer and keep the vehicle until the 48 months or 132,000 kms, whichever comes first, as long as they remain in an eligible position in their new role. The current Danaher company has the right to refuse the requested transfer at their discretion.

Associates assigned a company vehicle that are relocating/transferring to another Danaher location, MUST contact their current fleet administrator and provide details regarding the destination location and operating company. The fleet administrator will coordinate the vehicle details pertaining to your relocation or transfer directly with the fleet provider. The fleet provider will then provide the associate with the details regarding his/her vehicle information pertaining to the destination (such as license plates, insurance, and registration).

22. Vehicle Disposition

At the end of the appropriate cycle for each company vehicle, and upon ordering a new vehicle, if applicable, the associate should leave their old vehicle with the delivering dealer when picking up their new vehicle.

The company vehicle must be returned in sound condition. Any damage to the vehicle in excess of normal wear-and-tear shall be managed at the discretion of the Operating Company fleet administrator. Non-acceptable excess damage, including chemical cleaning needed for drivers who smoke in the vehicle, shall be at the driver's expense.

Any profit realized from the disposal of a used vehicle will accrue back to the operating company. Under no circumstances will an associate realize any financial gain from the disposal of the vehicle, regardless of any associate paid options that were added to the vehicle at the expense of the associate. No options are to be removed from the vehicle before disposal, regardless of who incurred the cost of the option.

23. Vehicle Purchase by an Associate

If an associate wishes to purchase his/her vehicle at the end of lease cycle, the price will be the higher of the remaining balance or fair market value, as provided by Element. Interested associates should contact Element, or their fleet administrator, for information on purchasing a company vehicle. All purchases will be in "as-is condition".

Vehicle Operation and Maintenance

24. Vehicle Operation and Maintenance

Eligible drivers are responsible for maintaining the general condition and maintenance of the assigned company vehicle. All company vehicles are enrolled in the Danaher / Element Fleet Management Program. Danaher and its subsidiaries require the use of Element contracted service providers for maintenance and repairs. Information regarding a service provider near an associate's location can be obtained by contacting Element. Drivers should have their Combination Card/Driver's Guide available when contacting Element. See **Exhibit C** for example of the Combination Card.

In addition, drivers must comply with the manufacturer's recommended maintenance schedules. All repairs must be made by following the procedures in the driver's mobile and/or website application, and comply with company policy. The driver's mobile and/or website application provides authorization instructions for routine repairs under allowed driver threshold and further instructions for repairs over this threshold. For repairs over the threshold, associates are required to call Element before any maintenance or repairs are performed on the company vehicle.

For emergency vehicle situations, contact the Element Maintenance Control Center.

Damage to the vehicle due to the driver's negligence or failure to reasonably follow the manufacturer's recommended maintenance schedule or engaging in prohibited actions outlined in Section 14 will be the responsibility of the associate. Danaher and its subsidiaries reserve the right to require that the associate reimburse the company for such damage, either through personal check or as an after-tax deduction from the associate's regular or incentive pay.

25. Energy Conservation

Danaher and its subsidiaries recognize that energy conservation is, and will continue to be, an important initiative. As a matter of policy, Danaher and its subsidiaries endorse and support energy conservation with regards to all company property, including the operation of company vehicles.

One of the most significant ways drivers of company vehicles can help support effective energy conservation is to use the proper fuel designed for the vehicle. The vehicle Owner's Manual provides information on the best fuel type, generally regular-unleaded gasoline, unless otherwise specified. There is no advantage to purchasing fuel of a higher-octane than that recommended by the manufacturer.

Proper driving habits and speed management will not only help to reduce the chances of an accident, but will also conserve fuel. The smooth operation of a vehicle, without "jack-rabbit" starts and stops, will also reduce maintenance expenses.

26. Insurance

Fleet administrators will arrange the insurance details for company leased vehicles. Danaher is self-insured which covers liability with a sizable deductible. Operating companies are responsible for covering damage and deductible costs.

27. Accident Reporting

In the event a company vehicle is involved in an accident, the driver must immediately notify:

- Immediate manager and fleet administrator;
- In addition there is a toll-free phone number on all maintenance guides issued with each vehicle to report accidents.

In the event that no third party was liable for the damage and the associate is at fault for the accident, each Operating Company can charge the associate for repair of the vehicle at the Operating Company's discretion. Incidents without an identifiable third party, such as vandalism, need to be reported per the above requirements however the associate is not liable for these damages.

28. Stolen Vehicle Reporting

In the event a company vehicle is stolen or missing, the driver must immediately:

- Contact the local police department to report the vehicle stolen.
- Contact the fleet administrator to report the vehicle stolen.

If the vehicle is recovered, the associate should contact your fleet administrator to report the location of the vehicle. If the company vehicle is not recovered within 90 days, it will be declared a total loss and the fleet administrator will arrange with the fleet provider for a permanent replacement vehicle.

29. Personal Mileage Reporting

Associates who are assigned a company vehicle **MUST** complete a monthly Company Vehicle Mileage Log as part of Element's Xcelerate driver portal, to document their business and personal use of company vehicles. In general, all travel outside of a normal working day, including commute time, is considered personal mileage. Fleet administrators will provide instructions for where and how to properly report this information.

The Mileage Log is used to determine the taxable income to report on the associate's taxable earnings statement (T-4). This information must be entered into the Xcelerate driver portal by the 5th of the following month.

If the associate does not submit a mileage report by the regular deadline, then it is up to Danaher or its subsidiary to consider a minimum of 2,500 personal kms will be reported as personal use for the month, up to a maximum of 100% of lease and fuel purchases for the month to be considered as personal use. Failure of the associate to report personal mileage accurately and timely may result in overcharges for personal use.

Danaher or its subsidiaries will not issue corrected taxable earnings statements (T-4) due to an associate's failure to report mileage by the annual deadline.

30. Taxable Income on Personal Use of Company Vehicle

Revenue Canada tax laws dictate that a taxable benefit is assessed to any employee to whom a company provided vehicle is made available for personal use, much the same way as company paid medical and dental insurance is. This amount is added to your income and reported annually on your T4 slip.

The taxable benefit calculation will always be in compliance with current legislation and is currently made up of two parts, the Standby Charge and the Operating Cost Benefit.

Standby Charge

The standby charge is the amount assessed for having a company provided vehicle made available for personal use. There are two different scenarios in calculating the standby charge; one is for leased vehicles and the other for company owned vehicles.

Leased vehicles - the standby amount is calculated as 2/3 of the total fixed costs, including any terminal charges, plus all applicable taxes charged during the tax reporting period.

$$\text{Total Fixed Costs} \times \frac{2}{3} \times \text{Standby Reduction Factor}$$

Company Owned Vehicles - For company owned vehicles, the standby amount is calculated as 2% of the original cost of the vehicle per month the vehicle is made available, plus all applicable taxes.

$$\text{Original Vehicle Cost} \times 2.0\% \times \text{\# of Months Available} \times \text{Standby Reduction Factor}$$

Standby Reduction Factor

Revenue Canada allows for a reduction in the standby charge if business use is 50% or greater of the total kilometres traveled during the reporting period and personal use is less than 1,667 kilometres per month. The standby charge will be prorated by personal kilometres and reduced accordingly.

$$\text{Personal Kilometres} / (\text{Months Available} \times 1,667)$$

Operating Cost Benefit

There are two methods of calculating the operating cost benefit.

Actual Method - Section 6(1)(k)(v)

The personal operating cost is calculated at 25 cents per personal kilometre driven during the period.

$$\text{Personal Kilometres} \times \$0.26$$

Alternate Method

This method requires that your business kilometres driven be in excess of 50%. In this situation, the calculation is equal to 1/2 of the standby charge. This method is only used if it is to your advantage. Also, Revenue Canada tax laws require that you give written authorization to your employer to use this calculation.

$$\text{Standby Charge} \times 0.50$$

Personal Use Charge

The personal use charge you have paid to Danaher, if any, will be utilized to offset your final taxable benefit amount, as permitted under current legislation.

Final Taxable Benefit Calculation

Your final taxable benefit amount is calculated by adding the standby charge and the operating cost benefit, less the personal use charge.

$$\text{Standby Charge} + \text{Operating Cost Benefit} - \text{Personal Use Charge}$$

Business versus Personal Use

It is imperative that you maintain an accurate log (daily is recommended) of all kilometres, differentiating between business and personal usage. In addition to what is obvious personal use (e.g. vacations, personal shopping trips, etc.), such use also includes travel from your home to your usual place of work. An exception is made if you travel from home directly to a point other than your usual place of work in the regular course of business (e.g. to make onsite repairs at the customers' premises, sales calls, etc.), or return home from such a point.

Recording of Business & Personal Kilometres

Danaher has contracted Element to prepare taxable benefit calculations for company drivers. To simplify the reporting process and allow you to monitor your personal and business usage, Danaher has provided access to two convenient reporting systems through Element. The Interactive Voice Response (IVR) and Web online reporting systems are both available 24 hours a day, 365 days a year and may be used interchangeably depending on your personal preference or system accessibility. Instructions on how to report your kilometres driven through the web and phone systems are available in your kilometre logbooks. Please ensure you promptly report your kilometres into the system on a monthly basis after the end of each month.

Kilometre Logbooks

Included with the program is a kilometre logbook, which facilitates recording your business and personal kilometres. This is a mandatory requirement for Quebec drivers as legislated by the provincial government. Logbooks for Quebec drivers must be submitted to Human Resources at the end of every year. For drivers in other provinces, the completed logbook can be retained for your records and you will be prepared in case of a Canada Revenue Agency (CRA) audit. It is extremely important that you report accurate information monthly and highly recommended that you maintain a daily personal kilometre log, in accordance with CRA regulations. In the event of a personal audit it is your responsibility to provide any requested kilometre records

Sample Calculations

Following are two sample calculations, one for each of under and over 50% personal use. We will assume that the annual total fixed costs are \$7,200.00, including taxes.

Example 1

50% or Greater Business Use - 35,000 Annual Kilometres (32,000 business/3,000 personal)

Standby Reduction Factor

= Personal Kilometres / (Months Available X 1,667)
= 3,000 / (12 X 1,667)
= 0.150

Standby Charge

= Total Fixed Costs X 2/3 X Standby Reduction Factor
= \$7,200.00 X 2/3 X 0.150
= \$719.86

Operating Cost (lower of Actual and Alternate)

Actual Alternate

= Personal Kilometres X \$0.24	= Standby Charge X 0.50
= 3,000 X \$0.24	= \$719.86 X 0.50
= \$780.00	= \$359.93

Final Taxable Benefit = Standby Charge + Operating Costs (lesser of Actual or Alternate)

= \$719.86 + \$359.93
= \$1,079.78 (annually)
= \$ 89.98 (monthly)

Example 2

Less than 50% Business Use - 35,000 Annual Kilometres (15,000 business/20,000 personal)

Standby Reduction Factor

Not available, business use less than 50%

Standby Charge

= Total Fixed Costs X 2/3 X Standby Reduction Factor

= \$7,200.00 X 2/3 X 1.0

= \$4,800.00

Operating Cost (lower of Actual and Alternate)

Actual

= Personal Kilometres X \$0.26

= 20,000 X \$0.26

= \$5200

Alternate

= Standby Charge X 0.50

Not available – business use is less than 50%

Final Taxable Benefit = Standby Charge + Operating Costs (lesser of Actual or Alternate)

= \$4,800 + \$5,200

= \$9,600.00 (annually)

= \$800.00