

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2024

OR

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

For the transition period from to

Commission File Number 001-39483

VONTIER CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

84-2783455

(I.R.S. employer
identification number)

5438 Wade Park Boulevard, Suite 600

Raleigh, NC 27607

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (984) 275-6000

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	VNT	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer ☒

Non-accelerated filer ☐

Accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of February 10, 2025 there were 148.7 million shares of Registrant's common stock outstanding. The aggregate market value of common stock held by non-affiliates of the Registrant as of June 28, 2024 was \$5.9 billion, based upon the closing price of the Registrant's common stock on the New York Stock Exchange.

DOCUMENTS INCORPORATED BY REFERENCE

Part III incorporates certain information by reference from the Registrant's proxy statement for its 2025 annual meeting of stockholders to be filed pursuant to Regulation 14A within 120 days after the end of the fiscal year to which this report relates.

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INFORMATION RELATING TO FORWARD-LOOKING STATEMENTS

Certain statements included in this Form 10-K are “forward-looking statements” within the meaning of the United States federal securities laws. All statements other than historical factual information are forward-looking statements, including without limitation statements regarding: future financial performance, core sales, tax rates, tax provisions, cash flows, pension and benefit obligations and funding requirements, our liquidity position or other financial measures; our management’s plans and strategies for future operations, including statements relating to anticipated operating performance, cost reductions, restructuring activities, shifts in product mix, new product and service developments, competitive strengths or market position, acquisitions and the integration thereof, divestitures, spin-offs, split-offs or other distributions, strategic opportunities, securities offerings, stock repurchases, dividends and executive compensation; growth, declines and other trends in markets we sell into; new or modified laws, regulations, governmental policies, and accounting pronouncements; future regulatory approvals and the timing thereof; outstanding claims, legal proceedings, tax audits and assessments and other contingent liabilities; future foreign currency exchange rates and fluctuations in those rates; general economic and capital markets conditions; the anticipated timing of any of the foregoing; assumptions underlying any of the foregoing; and any other statements that address events or developments that we intend or believe will or may occur in the future. Terminology such as “believe,” “anticipate,” “will,” “should,” “could,” “intend,” “plan,” “expect,” “estimate,” “project,” “target,” “may,” “possible,” “potential,” “forecast” and “positioned” and similar references to future periods are intended to identify forward-looking statements, although not all forward-looking statements are accompanied by such words. Forward-looking statements are based on assumptions and assessments made by our management in light of their experience and perceptions of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Numerous factors could cause our actual results to differ materially from those expressed in our forward-looking statements, including but not limited to the risks and uncertainties set forth in Item 1A of this Form 10-K under the heading “Risk Factors.”

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

PART I

ITEM 1. BUSINESS

General

Vontier Corporation (“Vontier,” the “Company,” “we,” or “our”) is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. Leveraging leading market positions, decades of domain expertise and unparalleled portfolio breadth, Vontier enables the way the world moves, delivering smart, safe and sustainable solutions to our customers and the planet.

Vontier Corporation is a Delaware corporation that was incorporated in 2019 in connection with the separation of Vontier from Fortive Corporation (“Fortive”) on October 9, 2020, as an independent, publicly-traded company. In this Annual Report on Form 10-K, the terms “Vontier” or the “Company” refer to either Vontier Corporation or to Vontier Corporation and its consolidated subsidiaries, as the context requires.

We are headquartered in Raleigh, North Carolina and serve end markets across the mobility ecosystem, including convenience retail and fueling, fleets and auto repair, marketing our products and services to retail and commercial fueling operators, convenience store operators, car wash operators, commercial vehicle repair businesses, fleet owners/operators and electric vehicle charging network operators on a global basis.

Our research and development, manufacturing, sales, distribution, service and administration operations are located in approximately 25 countries primarily across North America, Asia Pacific, Europe and Latin America.

We are guided by our shared purpose to mobilize the future to create a better world and are united by a culture of continuous improvement and bias for actions that embody the Vontier Business System (“VBS”). Through rigorous application of our proprietary VBS set of growth, lean, and leadership tools and processes, we continuously improve business performance in the critical areas of innovation, product development and commercialization, global supply chain, sales and marketing and leadership development. Our commitment to VBS and goal of creating long-term shareholder value has enabled us to drive customer satisfaction and profitability through innovation, growth and disciplined acquisitions to execute our strategy and expand our portfolio into new and attractive markets. Through our VBS-led execution of our Connected Mobility strategy, we are accelerating the transformation to a connected, smart mobility ecosystem by creating enhanced and interconnected platforms throughout our segments.

Segments

The Company operates through three reportable segments comprised of three operating segments. Our three operating segments, and businesses within, are as follows:

- Mobility Technologies: Invenco by GVR, DRB, Teletrac Navman, ANGI and EVolve.
- Repair Solutions: Matco Tools.
- Environmental & Fueling Solutions: Gilbarco Veeder-Root.

The Company’s Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures.

Mobility Technologies

Mobility Technologies provides digitally enabled equipment and operating software solutions to drive automation, productivity and compliance across the mobility ecosystem. Offerings include convenience retail operating platform, point-of-sale and payment solutions, remote diagnostics and site-management tools, workflow automation solutions, data analytics, operating software platform for electric vehicle charging networks, integrated solutions for alternative fuel dispensing and IoT-based fleet telematics. Mobility Technologies serves major end markets with tailored solutions for customers based on their unique needs.

Invenco by GVR serves convenience retail stores and energy retailing providers globally. We provide a network of connected solutions including devices, software, APIs and services to improve productivity, automation, compliance and safety to help our customers deliver better consumer experiences, increase revenue yield and generate higher margins. Our end-to-end solutions ensure uninterrupted operations for our customers' site covering forecourts, stores and other on-site services including quick service restaurants, car washes and EV charging. We have a large installed customer base with point-of-sale and self-checkout technology, payment processing and workflow software, payment terminals, site automation services, media capabilities, loyalty, remote site management, and fuel logistics offerings. Our universally compatible, modular, composable cloud-connected solutions are designed to integrate seamlessly with one-another as well as third-party offerings, enabling our customers to extend and rapidly deploy new features across their network. We believe we are uniquely positioned to deliver end-to-end technology solutions at-scale to customers, enabling them to manage changing consumer preferences, labor shortages, increasing site complexity and technology investments, and the rising cost of compliance.

DRB provides integrated technology solutions to the car wash industry. We provide an end-to-end technology platform combining embedded point-of-sale, workflow and monitoring software, customer support, digital marketing and payment facilitation services. We serve individual customer sites and have long-standing relationships with the majority of the top 20 car wash platforms in North America. We believe that DRB's market leading integrated technology, superior reliability, high customer retention and unique business model position us well to capitalize on numerous paths for growth, including customer consolidation, continued shift from full service to express car washes, increasing adoption of workflow technology-as-a-service, shorter upgrade cycles, labor challenges and water efficiency programs and usage restrictions.

Teletrac Navman offers telematics hardware and software solutions to commercial and government fleet operators. We provide vehicle tracking devices, telematics hardware and software solutions, and end-to-end sustainable fleet management solutions. Our global customer base leverages our suite of solutions for data-driven insights into fleet operations, vehicle and equipment maintenance and asset utilization to improve fleet safety and productivity, optimize business performance and deliver on sustainability or decarbonization commitments. We believe that our differentiated technology and software solutions are positioned to benefit from increasing regulations worldwide governing driver safety, hours of service, recording and monitoring requirements and the adoption of alternative fuels.

ANGI provides equipment, software and services to commercial and government fleet operators as well as retail gaseous full station developers and operators. Our full-site integrated solutions span compressed natural gas ("CNG"), renewable natural gas ("RNG"), hydrogen (H2) and biogas compression and dispensing. We offer scalable, modular systems, including dispensing, compression, storage, service, and automation solutions to support global fleet decarbonization. We believe our industry leading alternative energy fueling offerings strategically position us to capitalize on key market trends, including infrastructure buildout and decarbonization at scale.

EVolve, made up of our Driivz and Sparkion businesses, serves charge point operators and fleet operators, globally. Our interoperable electric vehicle charging and energy management platform solutions enable customers to facilitate EV charging economically at scale, secure energy resiliency and deliver on sustainability or decarbonization commitments. We believe our market leading technologies position us to capitalize on key market trends, including the investment in and adoption of electrified fleets, alternative fueling, and infrastructure buildout.

Customers in this segment choose suppliers based on several factors, including product features, performance and functionality, the supplier's geographic coverage and the other factors described under "Competition." Sales are generally made to independent distributors or through our direct sales personnel.

Repair Solutions

Repair Solutions comprises the Matco Tools business, a leading manufacturer and distributor of aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a robust network of mobile franchisees, who purchase vehicle repair tools, equipment and services from us and resell primarily to professional mechanics directly.

To complement our offering of vehicle repair tools, we have developed a suite of diagnostic tools and software to enhance repair shop workflow and strengthen relationships with our customers. We also generate sales from initial and recurring franchise fees as well as various financing programs that include installment sales to franchisees. We believe that Matco Tools' integrated workflow and diagnostic solutions are well positioned to capitalize on the increasing complexity of vehicles as advanced driver-assistance systems and other vehicle automation systems become prevalent.

Customers in this segment choose suppliers based on several factors, including relevant innovative features, convenience and the other factors described under "Competition."

Environmental & Fueling Solutions

Environmental & Fueling Solutions is a leading manufacturer and provider of solutions to improve safety, environmental compliance and fueling efficiency globally. Through brands including Gilbarco and Veeder-Root, we serve independent and company owned retail and commercial fueling operators with industry-leading environmental monitoring and leak detection systems, forecourt controllers, vapor recovery equipment and fuel dispenser systems for petroleum. Our large installed base of products provides a recurring revenue stream for aftermarket parts and service offerings. We believe our substantial scale and sophisticated technology offerings strategically position us to capitalize on key market trends, including fueling site consolidation and complexity, increasing regulatory requirements and global regulations, and aging infrastructure.

Customers in this segment choose suppliers based on several factors, including product features, performance and functionality, the supplier's geographic coverage and the other factors described under "Competition." Sales are generally made to independent distributors or through our direct sales personnel.

Research and Development

We conduct research and development activities for the purpose of developing new products, enhancing the functionality, effectiveness, ease of use and reliability of our existing products and expanding the applications for which uses of our products are appropriate.

Materials

Our manufacturing operations employ a wide variety of raw materials, including electronic components, steel, plastics and other resins, cast iron, aluminum and copper. Prices of oil and gas affect our costs for freight and utilities. We purchase raw materials from a large number of independent sources around the world. No single supplier is material, although for some components that require particular specifications or qualifications, there may be a single supplier or a limited number of suppliers that can readily provide such components. We utilize a number of techniques to address potential disruption in and other risks relating to our supply chain, including in certain cases the use of safety stock, alternative materials and qualification of multiple supply sources.

During 2024, the normalizing of supply chain conditions we experienced during 2023 continued, with costs and lead times generally returning to historical levels during the year. For a further discussion of risks related to the materials and components required for our operations, please refer to "Item 1A. Risk Factors."

Intellectual Property

We own numerous patents, trademarks, copyrights and trade secrets and licenses to intellectual property owned by others. Although in aggregate our intellectual property is important to our operations, we do not consider any single patent, trademark, copyright, trade secret or license to be of material importance to any operating segment or to the business as a whole. From time to time, we engage in litigation to protect our intellectual property rights. For a discussion of risks related to our intellectual property, please refer to "Item 1A. Risk Factors."

Competition

We believe that we are a leader in many of our served markets. Although our businesses generally operate in highly competitive markets, our competitive position cannot be determined accurately since none of our competitors offer all of the same product and service lines or serve all of the same markets as we do. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors, including well-established regional competitors, competitors who are more specialized than we are in particular markets, as well as larger companies or divisions of larger companies with substantial sales, marketing, research, and financial capabilities. We face increased competition in a number of our served markets as a result of the entry of competitors based in low-cost manufacturing locations and increasing consolidation in particular markets. The number of competitors varies by product and service line. Our management believes that we have a market leadership position in most of the markets we serve. Key competitive factors vary among our products and service lines but include the specific factors noted above with respect to each particular product or solution, and typically also include price, quality, performance, delivery speed, applications expertise, distribution channel access, service and support, technology and innovation, breadth of product, service and software offerings and brand name recognition. For a discussion of risks related to competition, please refer to "Item 1A. Risk Factors."

Seasonal Nature of Business

General economic conditions impact our business and financial results, and certain of our businesses experience seasonal and other trends related to the industries and end markets that they serve. For example, capital equipment sales are often stronger in the fourth calendar quarter. However, as a whole, we are not subject to material seasonality.

Working Capital

We maintain an adequate level of working capital to support our business needs. There are no unusual industry practices or requirements relating to working capital items. In addition, our sales and payment terms are generally similar to those of our competitors.

Backlog

Backlog includes unfilled orders that are expected to be fulfilled in the next 12 months and the annual contract value of long-term contracts, including our software as a service (“SaaS”) product offerings. Backlog as of December 31, 2024 and 2023 was \$702.4 million and \$626.0 million, respectively. We expect that a majority of the unfilled orders as of December 31, 2024 will be delivered to customers within the first half of 2025. Given the relatively short delivery periods that are characteristic of most of our products, we believe that our backlog is indicative of short-term sales performance but not necessarily a reliable indicator of medium or long-term sales performance.

Human Capital Resources

The Company’s key human capital management objectives are to attract, motivate, retain and develop the highest quality talent, united by VBS and a common culture in pursuit of continuous improvement. To support these objectives, the Company’s human resources programs are designed to develop talent to prepare them for critical roles and leadership positions for the future; reward and support employees through competitive pay, comprehensive benefit and perquisite programs; enhance the Company’s culture through efforts aimed at making the workplace more engaging and inclusive; acquire talent and facilitate internal talent mobility to create a high-performing workforce and innovative culture; and invest in technology, tools, and resources to enable employees at work. We seek to continue to attract, develop and retain world-class leaders and employees globally and to drive their engagement with our customer-centric approach.

As of December 31, 2024, we employed approximately 8,000 persons, of whom approximately 3,500 were employed in the United States and approximately 4,500 were employed outside of the United States. Of our United States employees, approximately 750 were hourly-rated, unionized employees. Outside the United States, we have government-mandated collective bargaining arrangements and union contracts in certain countries, particularly in Europe where certain of our employees are represented by unions and/or works councils. The Company believes that its relationship with employees is good.

Some examples of key programs and initiatives that are focused to attract, motivate, develop and retain our workforce include:

- **Health, wellness and family resources.** Our benefit offerings are designed to meet the varied and evolving needs of our workforce across businesses and geographies. In 2024, we launched a new employee resource group called LIFE (Lifestyle Improvements for Everyone) that focuses on empowering employees and providing resources to achieve wellness by fostering a balanced approach to physical, mental, social, and financial wellbeing. Through educational and collaborative initiatives, we aim to inspire personal growth and sustainable wellbeing for all our team.
- **Talent Development and Inclusion.** At Vontier, we are dedicated to cultivating a dynamic learning and growth culture, representing Skills-Based Talent Development and Inclusion, that fosters growth throughout our organization. This commitment is exemplified by the approximately 4,500 learners who have completed training in our newly launched peer-to-peer learning program, promoting a growth mindset that flows throughout our enterprise. To enhance our workplace culture, we have launched a Leadership Program aimed at building trust, driving business results, and inspiring careers. This program equips leaders with the tools to empower their teams, creating an environment where everyone can thrive. Additionally, our Executive Sponsorship Program provides guidance and support to emerging leaders, helping them navigate their career paths and achieve their professional aspirations. Furthermore, high-potential leaders completed an intensive six-week “Communicating with Impact” training, significantly enhancing their communication skills and enabling them to make a greater impact.

Our dedication to inclusion is further exemplified by the approximately 2,000 attendees at our monthly learning events. We actively support nine Employee Resource Groups (ERGs), including our newly established LIFE ERG, which champion communities within our workforce. These ERGs emphasize development, community, growth, and wellness, and in 2024, they have been instrumental in fostering a culture of belonging by providing multicultural learning opportunities that enrich our collective experience. To elevate our leadership capabilities, we have successfully implemented a comprehensive program with the goal of empowering over 200 learners to develop their leadership voice and influence within the organization in order to create positive impact. We also introduced seven new learning opportunities.

Our CEO took two pledges: the CEO Action for Diversity and Inclusion and The Valuable 500. Additionally, the Company was named to Newsweek’s Most Responsible Companies 2025 and TIME’s World’s Most Sustainable Companies 2024 lists.

- **Community and Social Impact.** We are committed to supporting the communities in which we live and work. One primary way we do this is through our employee connection program – Vontier Cares. In 2024, our teams across the globe continued to support their local communities by participating in a Day of Caring event, from cleaning up parks, to providing aid to those in need, to supporting local organizations that work with children and the elderly. Our Vontier Cares volunteers have made a significant impact in their communities throughout the year and around the globe.
- **Safety.** The Company has received ongoing recognition for its exceptional safety programs, notably being awarded the British Safety Council’s ‘International Safety Award 2024’ with Distinction. Our comprehensive safety initiatives emphasize the health and wellbeing of employees in all workplace settings. We implement established best practices for risk control, combined with active employee participation, to foster a culture that goes beyond mere compliance, with regular evaluations in place. We utilize systematic management systems that are either certified to, or in the process of obtaining the internationally recognized ISO 45001 management system certification, along with performance indicators that are focused on proactive measures to assess our progress.

Government Contracts

Although the substantial majority of our revenue in 2024 was from customers other than governmental entities, we have agreements relating to the sale of products to government entities. As a result, we are subject to various statutes and regulations that apply to companies doing business with governments and government-owned entities. For a discussion of risks related to government contracting requirements, please refer to “Item 1A. Risk Factors.”

Regulatory Matters

We face extensive government regulation both within and outside the United States relating to the development, manufacture, marketing, sale and distribution of our products, software and services. The following sections describe certain significant regulations that we are subject to. These are not the only regulations that our businesses must comply with. For a description of the risks related to the regulations that our businesses are subject to, please refer to “Item 1A. Risk Factors.”

Environmental Laws and Regulations

Our operations and properties are subject to laws and regulations relating to environmental protection, including those governing air emissions, water discharges and waste management, and workplace health and safety. For a discussion of the environmental laws and regulations that our operations, products and services are subject to and other environmental contingencies, please refer to Note 17. Litigation and Contingencies to the Consolidated Financial Statements included in this Annual Report. For a discussion of risks related to compliance with environmental and health and safety laws and risks related to past or future releases of, or exposures to, hazardous substances, please refer to “Item 1A. Risk Factors.”

Export/Import Compliance

We are required to comply with various U.S. export/import control and economic sanctions laws, such as:

- the Export Administration Regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, which, among other things, impose licensing requirements on the export, in-country transfer and re-export of certain dual-use goods, technology and software (which are items that have both commercial and military or proliferation applications);
- the regulations administered by the U.S. Department of Treasury, Office of Foreign Assets Control, which implement economic sanctions imposed against designated countries, governments and persons based on United States foreign policy and national security considerations; and
- the import regulations administered by the U.S. Customs and Border Protection.

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

International Operations

Our products and services are available in markets worldwide, and our principal markets outside the United States are in Europe and Asia Pacific. This geographic diversity allows us to draw on the skills of a worldwide workforce, provides greater stability to our operations, allows us to drive economies of scale, provides revenue streams that may help offset economic trends that are specific to individual economies and offers us an opportunity to access new markets for products.

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

Our business in Russia, Ukraine and Israel was not material to our results. We did not have any sales in Russia during the year ended December 31, 2024. Sales in Ukraine and Israel accounted for approximately 60 basis points of our total sales for the year ended December 31, 2024.

Available Information

We maintain an internet website at www.vontier.com on which we make available free of charge our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after filing such material with, or furnishing such material to, the SEC. Our internet site and the information contained on or connected to that site are not incorporated by reference into this Form 10-K. The SEC also maintains a website at www.sec.gov that contains reports, proxy statements and other information regarding issuers that file electronically with the SEC, including Vontier.

ITEM 1A. RISK FACTORS

You should carefully consider the risks and uncertainties described below, together with the information included elsewhere in this Annual Report on Form 10-K and other documents we file with the SEC. The risks and uncertainties described below are those that we have identified as material, but are not the only risks and uncertainties facing us. Our business may also be affected by a number of additional risks and uncertainties not currently known to us or that we currently believe are immaterial, any of which could, directly or indirectly, impair our business, including our results of operations, liquidity and financial condition.

Risks Related to Our Business and Industry

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

We purchase materials, components and equipment from third parties for use in our manufacturing operations. Our income has in the past and could in the future be adversely impacted if we are unable to adjust our manufacturing capacity, purchases required for our manufacturing activities and supply chain management to reflect any supply chain disruptions or changes in customer demand and market fluctuations, including those caused by a pandemic, natural disaster or other catastrophe, increases in demand outpacing supply chain capabilities, labor shortages, seasonality or cyclicalities. During a market upturn or supply chain disruption, suppliers may extend lead times, limit supplies or increase prices. If we cannot purchase sufficient materials at competitive prices and quality and on a timely enough basis to meet demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase or we may breach our contractual commitments and incur liabilities. Conversely, in order to secure supplies for the production of products, we sometimes enter into noncancelable purchase commitments with vendors, which could impact our ability to adjust our inventory or reduce our costs to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer.

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

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

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

We generally sell our products and services in an industry that is characterized by rapid technological changes, frequent new product introductions and changing industry standards. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our competitive position and financial statements will suffer. Our success depends on several factors, including our ability to correctly identify customer needs and preferences, and predict future needs and preferences, including from new developments and innovation related to, among other things, electric vehicles and autonomous vehicles.

In particular, the transportation industry has experienced an incremental increase in the development, adoption and use of alternative power systems, including compressed natural gas, hydrogen, fuel cells, plug-in hybrids, and electric cars. Although the current adoption rate of alternative power systems in the transportation industry is not anticipated to materially reduce the internal combustion based global car parc in the near future, continued increase in the adoption of alternative power systems over an extended number of years may alter the nature of the global car parc in such a manner as to reduce the demand for petroleum fuel and, correspondingly, demand for our retail and commercial petroleum products, including our fuel dispenser systems, petroleum monitoring systems, and electronic payment technologies for retail petroleum stations. In addition, technological advances in alternative power systems may reduce the frequency of required maintenance for vehicles, resulting in lower demand for our vehicle repair tools.

Furthermore, if we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in research and development of products and services that do not lead to significant sales, which would adversely affect our profitability. Even if we successfully innovate and develop new and enhanced products and services, we may incur substantial costs in doing so, and our profitability may suffer.

Changes in our software and subscription businesses may adversely impact our business, financial condition and results of operations.

An increasing portion of our revenue is generated through software maintenance and subscription revenue, which includes SaaS and new subscription services for integrated solutions. Our customers have no obligation to renew their agreements for our software maintenance or subscription services after the expiration of their initial contract period, which typically ranges from three to five years.

Our customer acquisition and renewal rates have in the past and may in the future decline or fluctuate as a result of a number of factors, including overall economic conditions, the health of their businesses, competitive offerings, and customer dissatisfaction with our services. If customers do not renew their contracts for our products, our maintenance and subscription revenue will decline, and our financial results will suffer.

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

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

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

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

As of December 31, 2024, we have outstanding indebtedness of approximately \$2.2 billion and the ability to incur an additional \$750.0 million of indebtedness under the Revolving Credit Facility and in the future we may incur additional indebtedness. This indebtedness could adversely affect our businesses and our ability to meet our obligations and pay dividends.

As of December 31, 2024, we have outstanding indebtedness of approximately \$2.2 billion, and have the ability to incur an additional \$750.0 million of indebtedness under the Revolving Credit Facility. See the section entitled “Liquidity and Capital Resources.” This debt could have important, adverse consequences to us and our investors, including:

- requiring a substantial portion of our cash flow from operations be used to make interest payments;
- making it more difficult to satisfy other obligations;
- increasing the risk of a future credit ratings downgrade of our debt, which could increase future debt costs and limit the future availability of debt financing;
- increasing our vulnerability to general adverse economic and industry conditions;
- reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow our businesses;
- limiting our flexibility in planning for, or reacting to, changes in our businesses and industries; and
- limiting our ability to borrow additional funds as needed or take advantage of business opportunities as they arise, pay cash dividends or repurchase shares of our common stock.

The instruments governing the debt financing contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term interest. If we breach any of these restrictions and cannot obtain a waiver from the lenders on favorable terms, subject to applicable cure periods, the outstanding indebtedness (and any other indebtedness with cross-default provisions) could be declared immediately due and payable, which would adversely affect our liquidity and financial statements. In addition, any failure to obtain and maintain credit ratings from independent rating agencies would adversely affect our cost of funds and could adversely affect our liquidity and access to the capital markets. If we add new debt, the risks described above could increase. For additional information regarding the debt financing, please refer to the section entitled “Liquidity and Capital Resources.”

The risks described above will increase with the amount of indebtedness we incur, and in the future we may incur significant indebtedness in addition to the indebtedness described above. In addition, our actual cash requirements in the future may be greater than expected. Our cash flow from operations may not be sufficient to service our outstanding debt or to repay the outstanding debt as it becomes due, and we may not be able to borrow money, sell assets or otherwise raise funds on acceptable terms, or at all, to service or refinance our debt.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures, or to dispose of material assets or operations, alter our dividend policy, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The instruments that will govern our indebtedness may restrict our ability to dispose of assets and may restrict the use of proceeds from those dispositions. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations when due.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness will depend on the generation of cash flow by our subsidiaries, including certain international subsidiaries, and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Our subsidiaries may not have any obligation to pay amounts due on our indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make adequate distributions to enable us to make payments in respect of our indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal, tax and contractual restrictions may limit our ability to obtain cash from our subsidiaries. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, may materially adversely affect our business, financial condition and results of operations and our ability to satisfy our obligations under our indebtedness or pay dividends on our common stock.

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

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

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

As part of our business strategy, we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course, some of which may be material. These acquisitions, investments, joint ventures and strategic relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could adversely affect our business and our financial statements:

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

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

We continually assess the strategic fit of our existing businesses and may divest, spin-off, split-off or otherwise dispose of businesses that are deemed not to fit with our strategic plan or are not achieving the desired return on investment. For example, during the year ended December 31, 2024, we divested our Coats business in an all-cash transaction. These transactions pose risks and challenges that could negatively impact our business and financial statements. For example, when we decide to sell or otherwise dispose of a business or assets, we may be unable to do so on satisfactory terms within our anticipated timeframe or at all, and even after reaching a definitive agreement to sell or dispose a business the sale is typically subject to satisfaction of pre-closing conditions which may not become satisfied. In addition, divestitures or other dispositions may dilute our earnings per share, have other adverse tax, financial and accounting impacts and distract management, and disputes may arise with buyers. In addition, we have retained responsibility for and/or have agreed to indemnify buyers against some known and unknown contingent liabilities related to certain businesses or assets we or our predecessors have sold or disposed. The resolution of these contingencies has not had a material effect on our financial statements, but we cannot be certain that this favorable pattern will continue.

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

Our business is sensitive to general economic conditions. Slower global economic growth, actual or anticipated default on sovereign debt, changes in global trade policies, volatility in the currency and credit markets, high levels of unemployment or underemployment, inflation or deflation, supply interruptions, reduced levels of capital expenditures, changes in government fiscal and monetary policies, government deficit reduction and budget negotiation dynamics, sequestration, other austerity measures, political and social instability, natural disasters, terrorist attacks, and other challenges that affect the global economy adversely affect us and our distributors, customers and suppliers, including having the effect of:

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

In addition, adverse general economic conditions may lead to instability in U.S. and global capital and credit markets, including market disruptions, limited liquidity and interest rate volatility. If we are exposed to significant fluctuations in interest rates on our debt obligations or are unable to access capital and credit markets on terms that are acceptable to us or our lenders are unable to provide financing in accordance with their contractual obligations, we may not be able to make certain investments or acquisitions or fully execute our business plans and strategies. Furthermore, our suppliers and customers are also dependent upon the capital and credit markets. Limitations on the ability of customers, suppliers or financial counterparties to access credit at interest rates and on terms that are acceptable to them could lead to insolvencies of key suppliers and customers, limit or prevent customers from obtaining credit to finance purchases of our products and services which could decrease our revenue and cause delays in the delivery of key products from suppliers which could lengthen our supply cycle and decrease our revenue.

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

Changes in U.S. trade policy, including changes to existing trade agreements and any resulting changes in international trade relations, may have a material adverse effect on us.

The U.S. may continue to alter its approach to international trade, which may impact existing bilateral or multi-lateral trade agreements and treaties with foreign countries. The U.S. has imposed tariffs on certain foreign goods and may increase tariffs or impose new ones, and certain foreign governments have retaliated and may continue to do so. We derive a significant portion of our revenues from international sales, which makes us especially vulnerable to increased tariffs. Changes in U.S. trade policy have created ongoing turmoil in international trade relations, and it is unclear what future actions governments will or will not take with respect to tariffs or other international trade agreements and policies. During his campaign, President Trump expressed various intentions to impose tariffs on imports. It is unclear what action the new presidential administration or Congress will take with respect to these proposals. Ongoing or new trade wars or other governmental action related to tariffs or international trade agreements or policies could reduce demand for our products and services, increase our costs, reduce our profitability, adversely impact our supply chain or otherwise have a material adverse effect on our business and results of operations.

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

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

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

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

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

Manufacturing or design defects impacting safety, cybersecurity or quality issues (or the perception of such issues) for our products and services can lead to personal injury, death, property damage, data loss or other damages. These events could lead to recalls or safety or other public alerts, result in product or service downtime or the temporary or permanent removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, downtime, removals and product liability and similar claims (regardless of their validity or ultimate outcome) can result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services.

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

Many of our businesses operate in industries that are intensely competitive and have been subject to consolidation. Because of the range of the products and services we sell and the variety of markets we serve, we encounter a wide variety of competitors. See "Business—Competition." In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers, continually developing new or enhanced products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new markets, including high-growth markets. Our failure to compete effectively and/or pricing pressures resulting from competition may adversely impact our financial statements, and our expansion into new markets may result in greater-than-expected risks, liabilities and expenses.

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

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

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

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

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

From time to time, we receive notices from third parties alleging intellectual property infringement or misappropriation. Any dispute or litigation regarding intellectual property could be costly and time-consuming due to the complexity of many of our technologies and the uncertainty of intellectual property litigation. Our intellectual property portfolio may not be useful in asserting a counterclaim, or negotiating a license, in response to a claim of infringement or misappropriation. In addition, as a result of such claims of infringement or misappropriation, we could lose our rights to critical technology, be unable to license critical technology or sell critical products and services, be required to pay substantial damages or license fees with respect to the infringed rights, be required to license technology or other intellectual property rights from others, be required to cease marketing, manufacturing or using certain products or be required to redesign, re-engineer or re-brand our products at substantial cost, any of which could adversely impact our competitive position and financial statements. Third-party intellectual property rights may also make it more difficult or expensive for us to meet market demand for particular product or design innovations. If we are required to seek licenses under patents or other intellectual property rights of others, we may not be able to acquire these licenses on acceptable terms, if at all. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business and financial statements.

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

Our facilities, supply chains, distribution systems and information technology systems are subject to catastrophic loss due to fire, flood, earthquake, hurricane, public health crisis, war, terrorism, cyberattack or other natural or man-made disasters. If any of these facilities, supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, damage customer relationships and our reputation and result in legal exposure and large repair or replacement expenses. For example, in August 2022, one of our key electronic suppliers for multiple boards that are part of every fuel dispenser shipped in the United States, suffered a cyberattack that brought down all of their manufacturing capabilities for approximately three weeks, which impacted our Greensboro factory while we mitigated the issue. The third-party insurance coverage that we maintain will vary from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against any losses.

Our ability to attract, develop and retain talented executives and other key employees is critical to our success.

Our future performance is dependent upon our ability to attract, motivate and retain executives and other key employees. The loss of services of executives and other key employees or the failure to attract, motivate and develop talented new executives or other key employees could prevent us from successfully implementing and executing business strategies, and therefore adversely affect our financial statements. Our success also depends on our ability to attract, develop and retain a talented employee base.

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

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

Risks Related to Our International Operations

Global economic, political, legal, compliance, supply chain, epidemic, pandemic and business factors could negatively affect our financial statements.

In 2024, approximately 32% of our sales were derived from customers outside the U.S. In addition, many of our manufacturing operations, suppliers and employees are located outside the U.S. Since our growth strategy depends in part on our ability to further penetrate markets outside the U.S. and increase the localization of our products and services, we expect to continue to increase our sales and presence outside the U.S., particularly in high-growth markets. Our global business (and particularly our business in high-growth markets) is subject to risks that are customarily encountered in non-U.S. operations, including:

- interruption in the transportation of materials to us and finished goods to our customers;
- differences in terms of sale, including payment terms;
- local product preferences and product requirements;
- changes in a country's or region's political or economic conditions, including changes in a country's relationship with the U.S.;
- trade protection measures, embargoes and import or export restrictions and requirements;
- unexpected changes in laws or regulatory requirements, including changes in tax laws;
- capital controls and limitations on ownership and on repatriation of earnings and cash;
- epidemics, pandemics or other public health crises, that adversely impact travel, production or demand;
- the potential for nationalization of enterprises;
- limitations on legal rights and our ability to enforce such rights;
- difficulty in staffing and managing widespread operations;
- differing labor regulations;
- difficulties in implementing restructuring actions on a timely or comprehensive basis;

- differing protection of intellectual property; and
- greater uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, including with respect to product and other regulatory approvals.

Any of these risks could negatively affect our financial statements, business, growth rate, competitive position, results of operations and financial condition.

Foreign currency exchange rates may adversely affect our financial statements.

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

Risks Related to Legal, Regulatory and Compliance Matters

Changes in, or status of implementation of, industry standards and governmental regulations, including the interpretation or enforcement thereof, may reduce demand for our products or services, increase our expenses or otherwise adversely impact our business model.

We compete in markets in which we and our customers must comply with supranational, federal, state, local and other jurisdictional regulations, such as regulations governing health and safety, fuel economy standards, the environment and electronic communications, employment and franchising regulations and market standardizations, such as the Europay, MasterCard and Visa ("EMV") global standards. We develop, configure and market our products, services and business model to meet customer needs created by these regulations and standards. These regulations and standards are complex, change frequently, have tended to become more stringent over time and may be inconsistent across jurisdictions. Any significant change or delay in implementation in any of these regulations or standards (or in the interpretation, application or enforcement thereof) could reduce or delay demand for our products and services, increase our costs of producing or delay the introduction of new or modified products and services, or could restrict our existing activities, products and services, or could otherwise adversely impact our business model. Furthermore, as our customer base as a whole progresses or completes the implementation of such regulations or standards, the incremental demand generated by the initial adoption thereof will abate and our revenue will decline incrementally as demand drops, which may have an adverse impact on our financial results. In addition, in certain of our markets our growth depends in part upon the introduction of new regulations or the implementation of industry standards on the timeline we expect. In these markets, the delay or failure of governmental and other entities to adopt or enforce new regulations or industry standards, or the adoption of new regulations or industry standards which our products and services are not positioned to address, could adversely affect demand. In addition, regulatory deadlines or industry standard implementation timelines may result in substantially different levels of demand for our products and services from period to period. For example, new regulations addressing emissions of greenhouse gasses due to impacts of climate change could result in product standard requirements and could adversely impact the cost, production, sales and financial performance of our operations.

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

In addition to the environmental, health, safety, anticorruption, data privacy and other regulations noted elsewhere in this Form 10-K, our businesses are subject to extensive regulation by U.S. and non-U.S. governmental and self-regulatory entities at the supranational, federal, state, local and other jurisdictional levels, including the following:

- We are required to comply with various import laws and export control and economic sanctions laws, which may affect our transactions with certain customers, business partners and other persons, and dealings between our employees and between our subsidiaries. In certain circumstances, export control and economic sanctions regulations may prohibit the export of certain products, services and technologies. In other circumstances, we may be required to obtain an export license before exporting the controlled item. Compliance with the various import laws that apply to our businesses can restrict our access to, and increase the cost of obtaining, certain products and at times can interrupt our supply of imported inventory;

- We also have agreements to sell products and services to government entities and are subject to various statutes and regulations that apply to companies doing business with government entities. The laws governing government contracts differ from the laws governing private contracts. For example, many government contracts contain pricing and other terms and conditions that are not applicable to private contracts. Our agreements with government entities may be subject to termination, reduction or modification at the convenience of the government or in the event of changes in government requirements, reductions in federal spending and other factors, and we may underestimate our costs of performing under the contract. In certain cases, a governmental entity may require us to pay back amounts it has paid to us. Government contracts that have been awarded to us following a bid process could become the subject of a bid protest by a losing bidder, which could result in loss of the contract. We are also subject to investigation and audit for compliance with the requirements governing government contracts;
- We are also required to comply with increasingly complex and changing data privacy regulations in multiple jurisdictions that regulate the collection, use, protection and transfer of personal data, including the transfer of personal data between or among countries as well as customer requirements in diligence and contracts. Many of these foreign data privacy regulations (including the General Data Protection Regulation) are more stringent than those in the U.S. We may also face audits or investigations by one or more domestic or foreign government agencies relating to our compliance with these regulations. An adverse outcome under any such investigation or audit could subject us to fines or other penalties. That or other circumstances related to our collection, use and transfer of personal data could cause a loss of reputation in the market and/or adversely affect our business and financial position;
- We are also required to comply with complex and evolving state, U.S. and foreign laws regarding the distribution of our products and services, including franchise laws and regulations. These rules are subject to change due to new or amended legislation or regulations, administrative or judicial interpretation or government enforcement policies. Any such change could adversely impact our current distribution and franchising business models and result in a decrease in sales or expose us to other significant costs affecting our business and financial position; and
- We are also required to comply with ever changing labor and employment laws and regulations in multiple jurisdictions. For example, the California legislature's passage of Assembly Bill 5, which codifies a new test for determining employee or independent contractor status in California, may impact the treatment of franchisees in our Repair Solutions segment in California. In addition, it is possible that other jurisdictions may enact similar laws. As a result of the enactment of Assembly Bill 5, the lack of clear guidance from regulatory authorities and the courts on the application of Assembly Bill 5, and the possibility that other jurisdictions may enact similar laws, there is significant uncertainty regarding what the worker classification regulatory landscape will look like in future years. If regulatory authorities or courts determine that our franchisees are not independent contractors, we may be required to withhold and pay certain taxes in respect of such franchisees, may be liable for unpaid past taxes, unpaid wages and potential penalties, and may be subject to wage and hour laws and requirements (such as those pertaining to minimum wage and overtime), claims for employee benefits, social security contributions, and workers' compensation and unemployment insurance, which could have an adverse effect on our business and financial position.

These are not the only regulations that our businesses must comply with. The regulations we are subject to have tended to become more stringent over time and may be inconsistent across jurisdictions. We, our representatives and the industries in which we operate may at times be under review and/or investigation by regulatory authorities. Compliance with these and other regulations may also affect our returns on investment, require us to incur significant expenses or modify our business model or impair our flexibility in modifying product, marketing, pricing or other strategies for growing our business. Our products and operations are also often subject to the rules of industrial standards bodies such as the International Standards Organization, and failure to comply with these rules could result in withdrawal of certifications needed to sell our products and services and otherwise adversely impact our business and financial statements. Failure to comply (or any alleged or perceived failure to comply) with the regulations referenced above or any other regulations could result in civil and criminal, monetary and non-monetary penalties, and any such failure or alleged failure (or becoming subject to a regulatory enforcement investigation) could also damage our reputation, disrupt our business, limit our ability to manufacture, import, export and sell products and services, result in loss of customers and disbarment from selling to certain federal agencies and cause us to incur significant legal and investigatory fees. For additional information regarding these risks, please refer to the section entitled "Business—Regulatory Matters."

We are party to asbestos-related product litigation that could adversely affect our financial condition, results of operations and cash flows.

Some of our existing or legacy businesses have in the past been, and in the future may be, the subject of suits brought by plaintiffs asserting that they have contracted or may contract either mesothelioma or another asbestos-related condition in connection with exposure to or use of products previously made or sold by such businesses. Many asbestos-related conditions, such as mesothelioma, have long latency periods in which the disease process develops, making it difficult to accurately predict the types and numbers of such claims in the future. While insurance coverage exists for many of these asbestos litigations, others may have no such coverage. If our insurance coverage is not applicable or is not adequate, we may be responsible for all defense expenditures, as well as any settlements or verdict payouts. Any future asbestos-related litigation, brought against us or our subsidiaries, whether with or without merit, could result in substantial liabilities and costs to us as well as divert the attention of our management, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

We rely on information technology systems, some of which are managed by third parties and some of which are managed on a decentralized, independent basis by our operating companies, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, customer's employees and end users and other business partners), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). These systems, products and services (including those we acquire through business acquisitions) may be damaged, disrupted or shut down due to attacks by computer hackers, nation states, cyber-criminals, computer viruses, employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. In addition, security breaches of our systems (or the systems of our customers, suppliers or other business partners) could result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers or suppliers. Like many multinational corporations, our information technology systems have been subject to computer viruses, malicious codes, unauthorized access and other cyber-attacks and we expect to be subject to similar incidents in the future as such attacks become more sophisticated and frequent. We have programs in place that are intended to detect, contain, and respond to data security incidents and that provide at least annual employee awareness training regarding phishing, malware, and other cyber risks. However, because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may be difficult to detect, we may be unable to anticipate these techniques or implement adequate preventive measures. If our security measures are breached or fail, unauthorized persons may be able to obtain access to or acquire personal or other confidential data. Depending on the nature of the information compromised, we may also have obligations to notify consumers and/or employees as well as regulatory agencies about the incident, and we may need to provide some form of remedy, such as a subscription to a credit monitoring service, for the individuals affected by the incident. While to date none of these incidents have been material to our operations, any of the attacks, breaches or other disruptions or damage described above could interrupt our operations, delay production and shipments, result in theft of our and our customers' intellectual property and trade secrets, damage customer and business partner relationships and our reputation or result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws and increased costs for security and remediation, each of which could adversely affect our business and financial statements.

If we are unable to maintain reliable information technology systems and appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer adverse regulatory consequences, business consequences and litigation. As a global organization, we are subject to data privacy and security laws, regulations, and customer-imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal, special category and/or sensitive data in the course of our business. Failure to comply with the requirements of EU General Data Protection Regulation that became effective in May 2018 ("GDPR") and the applicable national data protection laws of the EU member states may result in fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. Several other countries such as China and Russia have passed, and other countries are considering passing, laws that require personal data relating to their citizens to be maintained on local servers and impose additional data transfer restrictions. The California Consumer Privacy Act, which came into effect in January 2020, has some of the same features as the GDPR, and has prompted several other states to follow with similar laws. Government enforcement actions can be costly and interrupt the regular operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial statements. In addition, compliance with the varying data privacy regulations across the United States and around the world, including the EU Data Act and artificial intelligence regulations in the United States and Europe, has required significant expenditures and may require additional expenditures, and may require further changes in our products or business models that increase competition or reduce revenue.

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

Our operations, products and services are subject to environmental laws and regulations, which impose limitations on the discharge of pollutants into the environment and establish standards for the use, generation, treatment, storage and disposal of hazardous and non-hazardous wastes and impose end-of-life disposal and takeback programs. We must also comply with various health and safety regulations in the United States and abroad in connection with our operations. In addition, some of our operations require the controlled use of hazardous or energetic materials in the development, manufacturing or servicing of our products. We cannot assure you that our environmental, health and safety compliance program (or the compliance programs of businesses we acquire) has been or will at all times be effective. Failure to comply with any of these laws could result in civil and criminal, monetary and non-monetary penalties and damage to our reputation. In addition, we cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws will not exceed our estimates or adversely affect our financial statements. Moreover, any accident that results in significant personal injury or property damage, whether occurring during development, manufacturing, servicing, use, or storage of our products, may result in significant production interruption, delays or claims for substantial damages caused by personal injuries or property damage, harm to our reputation, and reduction in morale among our employees, any of which may adversely and materially affect our results of operations.

In addition, we may incur costs related to remedial efforts for alleged environmental damage associated with past or current waste disposal practices or other hazardous materials handling practices. We are also from time to time party to personal injury, property damage or other claims brought by private parties alleging injury or damage due to the presence of or exposure to hazardous substances. We may also become subject to additional remedial, compliance or personal injury costs due to future events such as changes in existing laws or regulations, changes in agency direction or enforcement policies, developments in remediation technologies, changes in the conduct of our operations and changes in accounting rules. We cannot assure you that our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or adversely affect our reputation and financial statements or that we will not be subject to additional claims for personal injury or remediation in the future based on our past, present or future business activities.

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

We are subject to a variety of litigation and other legal and regulatory proceedings incidental to our business (or the business operations of previously owned entities), including claims or counterclaims for damages arising out of the use of products or services and claims relating to intellectual property matters, employment matters, franchising and product distribution, tax matters, commercial disputes, breach of contract claims, competition and sales and trading practices, environmental matters, personal injury, insurance coverage and acquisition or divestiture-related matters, as well as regulatory investigations or enforcement. We may also become subject to lawsuits as a result of past or future acquisitions or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with, businesses divested by us or our predecessors. The types of claims made in these lawsuits may include claims for compensatory damages, punitive and consequential damages and/or injunctive relief. The defense of these lawsuits may divert our management's attention, we may incur significant expenses in defending these lawsuits, and we may be required to pay damage awards or settlements or become subject to equitable remedies that could adversely affect our operations and financial statements. Moreover, any insurance or indemnification rights that we may have may be insufficient or unavailable to protect us against such losses. In addition, developments in proceedings in any given period may require us to adjust the loss contingency estimates that we have recorded in our financial statements, record estimates for liabilities or assets that we were previously unable to estimate or pay cash settlements or judgments. Any of these developments could adversely affect our financial statements in any particular period. We cannot assure you that our liabilities in connection with litigation and other legal and regulatory proceedings will not exceed our estimates or adversely affect our financial statements and business.

If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock may be negatively affected.

As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls.

The process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation is time consuming, costly, and complicated. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in a timely manner or to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

Risks Related to Our Accounting and Tax Matters

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

As of December 31, 2024, the net carrying value of our goodwill and other intangible assets totaled approximately \$2.2 billion. In accordance with generally accepted accounting principles, we periodically assess these assets to determine if they are impaired. Significant negative industry or economic trends, disruptions to our business, inability to effectively integrate acquired businesses, unexpected significant changes or planned changes in the use of our assets, changes in the structure of our business, divestitures, market capitalization declines, or increases in associated discount rates may impair our goodwill and other intangible assets in the future. Any charges relating to such impairments would adversely affect our results of operations in the periods recognized.

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

We are subject to income and transaction taxes in the U.S. and in numerous non-U.S. jurisdictions. Due to the potential for changes to tax laws and regulations or changes to the interpretation thereof, the ambiguity of tax laws and regulations, the subjectivity of factual interpretations, the complexity of our intercompany arrangements, uncertainties regarding the geographic mix of earnings in any particular period, and other factors, our estimates of our effective tax rate and income tax assets and liabilities may be incorrect and our financial statements could be adversely affected; please refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a discussion of additional factors that may adversely affect our effective tax rate and decrease our profitability in any period.

In addition, the amount of income taxes we pay is and may be subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. tax authorities. If these audits result in payments or assessments different from our reserves, our future results may include unfavorable adjustments to our tax liabilities and our financial statements could be adversely affected. If we decide to repatriate earnings from foreign jurisdictions that have been considered permanently reinvested under foreign tax law standards, it could also increase our effective tax rate.

The Organization for Economic Cooperation and Development (OECD) has issued guidelines that are different, in some respects, than long-standing international tax principles. Certain countries have amended their tax laws to adopt certain parts of the OECD guidelines and additional countries may adopt parts of the OECD guidelines in the future, which has increased tax uncertainty and may adversely impact our effective tax rates.

Risks Related to Our Common Stock

The trading price of our common stock may be volatile, which may be exacerbated by share repurchases under our Share Repurchase Program.

The market price of our common stock may be subject to wide fluctuations in response to, among other things, the risk factors described in this periodic report, news about us and our financial results, news about our competitors and their results, and other factors such as rumors or fluctuations in the valuation of companies perceived by investors to be comparable to us. For example, during the fiscal year ended December 31, 2024, the closing price of our common stock ranged from \$31.95 to \$45.36 per share.

Furthermore, stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes or international currency fluctuations, may negatively affect the market price of our common stock.

In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

Certain provisions in our amended and restated certificate of incorporation and bylaws, and of Delaware law, may prevent or delay an acquisition of us, which could decrease the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids and to encourage prospective acquirers to negotiate with the Board rather than to attempt an unsolicited takeover not approved by the Board. These provisions include, among others:

- the inability of our stockholders to call a special meeting;
- the inability of our stockholders to act by written consent;
- rules regarding how stockholders may present proposals or nominate directors for election at stockholder meetings;
- the right of the Board to issue preferred stock without stockholder approval;
- until our 2025 Annual Meeting of Stockholders, the division of the Board into three classes of directors, with each class serving a staggered three-year term, and this classified board provision could have the effect of making the replacement of incumbent directors more time consuming and difficult;
- provision that stockholders may only remove directors with cause;
- the ability of our directors, and not stockholders, to fill vacancies (including those resulting from an enlargement of the Board) on the Board.

In addition, because we have not chosen to be exempt from Section 203 of the Delaware General Corporation Law (the “DGCL”), this provision could also delay or prevent a change of control that you may favor. Section 203 provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation (an “interested stockholder”) shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which the person became an interested stockholder, unless (i) prior to such time, the Board of Directors of such corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of such corporation at the time the transaction commenced (excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) the voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan); or (iii) on or subsequent to such time the business combination is approved by the Board of Directors of such corporation and authorized at a meeting of stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock of such corporation not owned by the interested stockholder.

We believe these provisions will protect our stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirers to negotiate with the Board and by providing the Board with more time to assess any acquisition proposal. These provisions are not intended to make us immune from takeovers. However, these provisions will apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that the Board determines is not in the best interests of us and our stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

Our amended and restated certificate of incorporation designates the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders. Our amended and restated certificate of incorporation further designates the federal district courts of the United States of America as the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions could discourage lawsuits against us and our directors, officers, employees and stockholders.

Our amended and restated certificate of incorporation provides that, unless we consent otherwise, the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of us, any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to us or our stockholders, any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or bylaws, or any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction. We recognize that this forum selection clause may impose additional litigation costs on stockholders in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware. Our amended and restated certificate of incorporation further provides that, unless we consent otherwise, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. These forum selection provisions may limit the ability of our stockholders to bring a claim in a judicial forum that such stockholders find favorable for disputes with us or our directors or officers, which may discourage such lawsuits against us and our directors, officers, employees and stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

We assess, identify and manage the material risks from cybersecurity threats relevant to our businesses through robust programs, including enterprise risk management (“ERM”), our risk assessment process (“RAP”) and our cybersecurity program. To date, risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition.

There is strong engagement in risk management from company leadership, including the CEO, executives and senior leaders. The ERM program is driven by Vontier’s Executive Risk Committee, which is led by the SVP, Chief Administrative Officer and comprised of business and functional leaders. Our Audit Committee oversees the ERM program and the Board of Directors have regular updates on topics that are identified through the RAP and overall risk management process.

Through the RAP, which is a tool in our ERM program, we identify and assess cybersecurity risks at an operating company level, evaluating the likelihood and potential impact of a risk universe encompassing finance, human capital, operations, information technology, legal and regulatory compliance, and strategy. Risks are individually analyzed from both inherent and residual perspectives, considering existing controls and mitigation processes in place. The businesses leverage the results from the assessment process to identify and implement efforts to further mitigate risks. Progress on mitigation projects is monitored and regularly reported to leadership as part of the RAP.

In addition to our ERM and RAP, we have a cybersecurity program led by our Chief Information Officer (“CIO”), who reports to our Chief Financial Officer. Our current CIO has over 20 years of experience with large global companies where he worked extensively in providing strategic IT leadership and management in the areas of digital transformation, cybersecurity, risk management and ERP implementation. Our CIO oversees our Information Security department, chairs the Vontier Information Security Executive Committee (“VISEC”), which includes cross-functional leaders from finance, internal audit, information security, information technology, and legal and corporate affairs, and works with the businesses to conduct enterprise product security assessments, perform penetration testing and advance our cybersecurity policies and procedures. We have developed information security policies and standards informed by the NIST Cybersecurity Framework, an internationally recognized framework; and we engage with third parties on our incident response processes, cybersecurity maturity assessment, as well as on our cyber security awareness, data security governance and vendor cyber risk management. Because we are aware of the risks associated with third-party service providers, we implement processes to oversee and manage these risks. We conduct security assessments of third-party providers before engagement and maintain ongoing monitoring to ensure compliance with our cybersecurity standards. Additionally, we review our cybersecurity maturity assessment on an ongoing basis to measure the Company’s ability to detect, protect, respond and recover from a cyber incident.

The VISEC addresses relevant cybersecurity issues and provides guidance and updates on information security programs and projects. Additionally, the VISEC oversees the coordination of information security mitigation efforts arising from internal assessment, including from the RAP, as applicable. The Board has delegated to the Audit Committee the responsibility of exercising oversight with respect to the Company's cybersecurity risk management and risk controls. Our CIO provides multiple updates each year to the Audit Committee regarding cyber risk management governance and the status of projects that strengthen cybersecurity effectiveness. The full Board regularly receives briefs from the Audit Committee and management regarding the Company's cybersecurity program, including the Company's monitoring, auditing, implementation and communication processes, controls, and procedures.

In the event of a cyber incident, our CIO leads the execution of our cyber response plan, which includes a cross-functional group and triggers for escalation. We also have established a business continuity program to assess the cyber risks associated with our critical facilities' ability to recover and resume operational functionality. We continue to engage and educate employees internally on relevant cybersecurity threats.

ITEM 2. PROPERTIES

Our corporate headquarters are located in Raleigh, North Carolina in a facility that we lease. As of December 31, 2024, our facilities included approximately 25 significant facilities, which are used for manufacturing, distribution, warehousing, research and development, general administrative and/or sales functions. Approximately 10 of these facilities are located in the United States and approximately 15 are located outside the United States. We own an approximately 0.7 million square foot mixed use facility in Greensboro, North Carolina that provides manufacturing and office space utilized by businesses within our Mobility Technologies and Environmental & Fueling Solutions segments.

We consider our facilities suitable and adequate for the purposes for which they are used and do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities. We believe our properties and equipment have been well-maintained. Please refer to Note 9. Leases to the Consolidated Financial Statements for additional information with respect to our lease commitments.

ITEM 3. LEGAL PROCEEDINGS

We are, from time to time, subject to a variety of litigation and other legal and regulatory proceedings and claims incidental to our business. Based upon our experience, current information and applicable law, we do not believe that these proceedings and claims will have a material effect on our financial position, results of operations or cash flows. Please refer to Note 17. Litigation and Contingencies to the Consolidated Financial Statements for more information.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below are the names, ages, positions and experience of our executive officers as of February 13, 2025. All of our executive officers hold office at the pleasure of our Board.

Name	Age	Position	Officer Since
Mark D. Morelli	61	President and Chief Executive Officer	2020
Anshooman Aga	49	Senior Vice President, Chief Financial Officer	2022
Kathryn K. Rowen	46	Senior Vice President, Chief Administrative Officer	2020

Mark D. Morelli has served as our President and Chief Executive Officer since January 2020. Mr. Morelli previously served as President and Chief Executive Officer of Columbus McKinnon Corporation from February 2017 to January 2020 and prior to that served as President and Chief Operating Officer of Brooks Automation, Inc. from January 2012 to March 2016. Prior to serving at Brooks Automation, Inc., Mr. Morelli was the Chief Executive Officer of Energy Conversion Devices, an alternative energy company. Prior to that, Mr. Morelli served in various positions with United Technologies Corporation from June 1993 to September 2007, where he progressed through product management, marketing, strategy and increasing responsibilities of general management. Mr. Morelli began his career as a U.S. Army officer and helicopter pilot, serving as a company commander of a helicopter unit.

Anshooman Aga has served as our Senior Vice President, Chief Financial Officer since August 2022. Mr. Aga previously served as Senior Vice President and Chief Financial Officer of Harsco Corporation from August 2021 through August 2022. Prior to serving at Harsco Corporation, Mr. Aga was the Executive Vice President and Chief Financial Officer of Cubic Corporation. He joined Cubic Corporation in July 2017 as Executive Vice President and assumed the role of CFO in October 2017. Prior to joining Cubic Corporation, Mr. Aga served at AECOM, from June 2015 to July 2017, where he was Senior Vice President and Chief Financial Officer of their multi-billion-dollar Design and Consulting Services business in the Americas. He also held a series of financial leadership positions at Siemens, from July 2006 to May 2015, including Chief Financial Officer of the Energy Automation business based in Nuremburg, Germany, in addition to similar financial roles for Siemens's Rail Electrification and TurboCare business units.

Kathryn K. Rowen has served as our Senior Vice President, Chief Administrative Officer since January 2024. She served as our Senior Vice President, Chief Legal and Sustainability Officer from June 2023 through January 2024, as our Senior Vice President, Chief Legal and Administrative Officer from January 2022 through June 2023 and as our Senior Vice President and General Counsel from September 2020 through January 2022. Prior to that, Ms. Rowen served as Vice President, Corporate Social Responsibility, Employment and Litigation of Fortive Corporation from January 2020 to August 2020, as Vice President, Labor & Employment and Litigation from January 2018 to January 2020, and as Vice President, Labor and Employment from January 2017 to January 2018 of Fortive Corporation. Prior to joining Fortive Corporation, Ms. Rowen served at Raytheon Company in legal roles of increasing responsibility from October 2011 to January 2017.

PART II

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

Our common stock trades on the New York Stock Exchange under the symbol VNT. As of February 10, 2025, there were 773 holders of record of our common stock.

Issuer Purchases of Equity Securities

On May 24, 2022, the Company's Board of Directors approved a replenishment of the Company's previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to \$500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use pre-arranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company's stock price, corporate and regulatory requirements, restrictions under the Company's debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

During the three months ended December 31, 2024, the Company entered into a share repurchase agreement with a third-party institution, whereupon the Company made a payment of \$25.0 million. At the end of an agreed-upon trading period during the three months ended December 31, 2024, the Company received 0.6 million of the Company's shares at an average price per share of \$39.57 under the share repurchase agreement.

The following table sets forth our share repurchase activity for the three months ended December 31, 2024:

Period	Total Number of Shares Purchased (in millions)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (in millions)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (\$ in millions)
September 28, 2024 to October 25, 2024	0.6	\$ 34.12	0.6	\$ 169.6
October 26, 2024 to November 22, 2024 ^(a)	0.9	38.66	0.9	135.7
November 23, 2024 to December 31, 2024	0.2	38.86	0.2	129.6
Total	1.7		1.7	

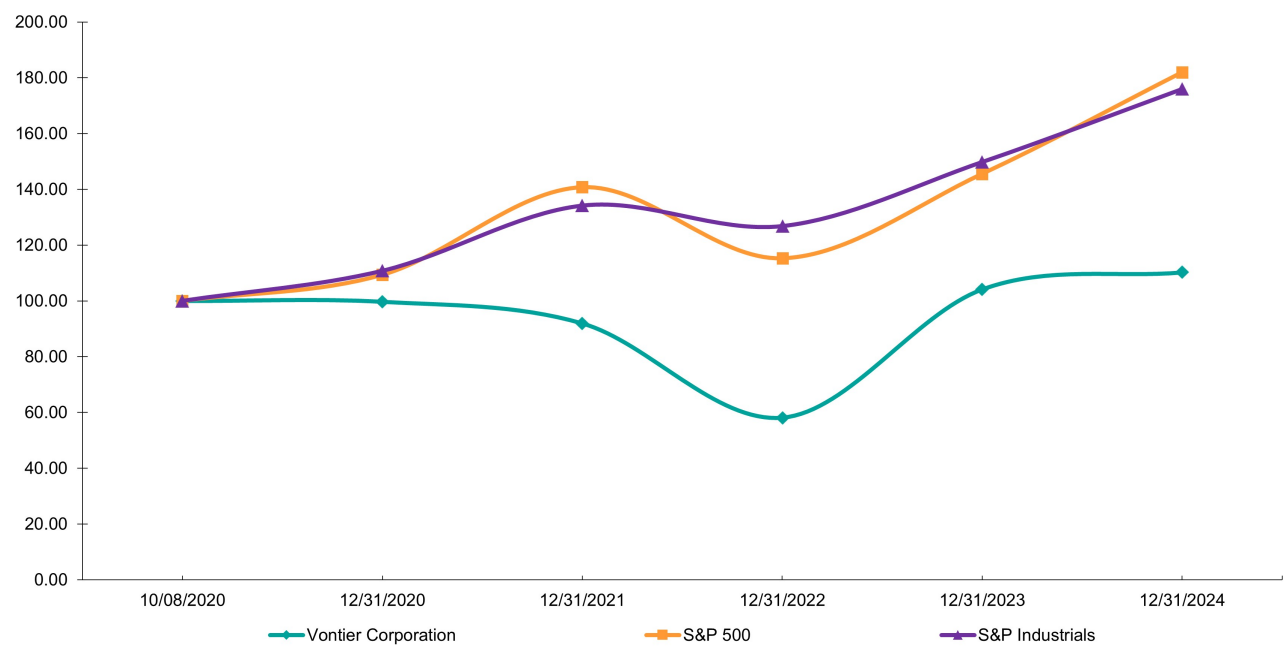
^(a) The average price paid per share under the share repurchase agreement included in the table above was determined using the volume-weighted average price of the Company's common stock over the term of the agreed-upon trading period, less a discount.

Recent Issuances of Unregistered Securities

None.

Company Stock Performance

The following graph shows a comparison from October 8, 2020 (the date trading commenced on our common stock on the New York Stock Exchange) through December 31, 2024 of the cumulative return of our common stock, the S&P 500 Index and the S&P Industrials Index. The graph tracks the performance of a \$100 investment in our common stock and in each of the indices (with the reinvestment of dividends).



ITEM 6. [RESERVED]

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

This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is designed to provide a reader of our financial statements with a narrative from the perspective of management and is intended to help the reader understand the results and operations and financial condition of the Company. Our MD&A should be read in conjunction with our Consolidated Financial Statements and the accompanying Notes to the Consolidated Financial Statements included elsewhere in this Annual Report.

Discussion and analysis of our financial condition and results of operations as of and for the year ended December 31, 2023 compared to December 31, 2022 is included under the heading “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K filed for the fiscal year ended December 31, 2023 with the Securities and Exchange Commission on February 15, 2024.

OVERVIEW

General

Vontier is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. Leveraging leading market positions, decades of domain expertise and unparalleled portfolio breadth, Vontier enables the way the world moves, delivering smart, safe and sustainable solutions to our customers and the planet. Vontier has a culture of continuous improvement and innovation built upon the foundation of the Vontier Business System and embraced by colleagues worldwide. Refer to “Item 1. Business – General” included in this Annual Report for a discussion of our strategies for delivering long-term shareholder value.

We operate through three reportable segments which align to our three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure. Our Global Traffic Technologies and Coats businesses, which were divested during April 2023 and January 2024, respectively, are presented in Other for periods prior to the divestitures.

Outlook

We expect core sales to increase on a year-over-year basis in 2025 due to increasing demand across our portfolio. Our outlook is subject to various assumptions and risks, including but not limited to the resilience and durability of the economies of the United States and other critical regions, the condition of global supply chains, including the availability of electronic components, the impact of international conflicts, including Russia-Ukraine and conflicts in the Middle East, market conditions in key end product segments, no significant changes in governmental policies or regulations and the impact of energy disruption in Europe. Additional uncertainties are identified in “Information Relating to Forward-Looking Statements” and “Risk Factors” in this Form 10-K.

We continue to monitor the macroeconomic and geopolitical conditions which may impact our business, including monetary and fiscal policies, changes in the banking system, international trade and relations between the U.S., China and other nations, and investment and taxation policy initiatives being considered in the United States and by the Organization for Economic Co-operation and Development (the “OECD”). We also continue to monitor the Russia-Ukraine conflict and conflicts in the Middle East and the impact on our business and operations. As of the filing date of this report, we do not believe they are material.

RESULTS OF OPERATIONS

Comparison of Results of Operations

(\$ in millions)	Year Ended December 31,			
	2024	% of Sales	2023	% of Sales
Sales	\$ 2,979.0		\$ 3,095.2	
Operating costs and expenses:				
Cost of sales ^(a)	(1,554.9)	52.2 %	(1,664.0)	53.8 %
Selling, general and administrative expenses (“SG&A”)	(629.7)	21.1 %	(643.1)	20.8 %
Research and development expenses (“R&D”)	(177.7)	6.0 %	(163.5)	5.3 %
Amortization of acquisition-related intangible assets	(79.7)	2.7 %	(81.2)	2.6 %
Operating profit	\$ 537.0	18.0 %	\$ 543.4	17.6 %

(a) Excluding amortization of acquisition-related intangible assets.

Sales

The components of our consolidated sales growth were as follows for the periods indicated:

	2024 vs 2023
Total sales growth (GAAP)	(3.8)%
Core sales (Non-GAAP)	1.8 %
Acquisitions and divestitures (Non-GAAP)	(4.8) %
Currency exchange rates (Non-GAAP)	(0.8) %

Sales for each of our segments were as follows for the periods indicated:

(\$ in millions)	Year Ended December 31,	
	2024	2023
Mobility Technologies	\$ 1,014.5	\$ 1,003.8
Repair Solutions	633.4	651.5
Environmental & Fueling Solutions	1,359.8	1,323.7
Other	1.3	118.8
Intersegment eliminations	(30.0)	(2.6)
Total	\$ 2,979.0	\$ 3,095.2

Mobility Technologies

The components of sales growth for our Mobility Technologies segment were as follows for the periods indicated:

	2024 vs 2023
Total sales growth (GAAP)	1.1 %
Core sales (Non-GAAP)	2.1 %
Acquisitions and divestitures (Non-GAAP)	— %
Currency exchange rates (Non-GAAP)	(1.0) %

Total sales within our Mobility Technologies segment increased 1.1% during the year ended December 31, 2024, as compared to the prior year, driven by a 2.1% increase in core sales, partially offset by a 1.0% decrease due to the impact of currency translation. The increase in core sales was due to solid demand for our convenience store payment and enterprise productivity solutions, partially offset by lower demand for our cash wash solutions.

Repair Solutions

The components of sales growth for our Repair Solutions segment were as follows for the periods indicated:

	2024 vs 2023
Total sales growth (GAAP)	(2.8)%
Core sales (Non-GAAP)	(2.8) %
Acquisitions and divestitures (Non-GAAP)	— %
Currency exchange rates (Non-GAAP)	— %

Total sales and core sales within our Repair Solutions segment decreased 2.8% during the year ended December 31, 2024, as compared to the prior year, due to a decrease in the hardline, tool storage and specialty tools product categories driven by macroeconomic impacts on service technicians' discretionary spending, partially offset by an increase in the power tools product category.

Environmental & Fueling Solutions

The components of sales growth for our Environmental & Fueling Solutions segment were as follows for the periods indicated:

	2024 vs 2023
Total sales growth (GAAP)	2.7 %
Core sales (Non-GAAP)	5.9 %
Acquisitions and divestitures (Non-GAAP)	(2.3) %
Currency exchange rates (Non-GAAP)	(0.9) %

Total sales within our Environmental & Fueling Solutions segment increased 2.7% during the year ended December 31, 2024, as compared to the prior year, driven by a 5.9% increase in core sales, partially offset by a 2.3% decrease due to the impact of recently exited businesses and product lines and a 0.9% decrease due to the impact of currency translation. The increase in core sales was driven by higher demand for aftermarket products, dispenser systems and environmental solutions.

Cost of Sales

Cost of sales, excluding amortization of acquisition-related intangible assets, decreased \$109.1 million, or 6.6%, during the year ended December 31, 2024, as compared to the prior year and as a percentage of sales, decreased 160 basis points during the same period, due to a \$115.0 million decrease from the impact of recently divested and exited businesses and product lines.

Operating Costs and Other Expenses

SG&A expenses decreased \$13.4 million, or 2.1%, during the year ended December 31, 2024, as compared to the prior year and as a percentage of sales, increased 30 basis points during the same period, due to a \$18.6 million decrease from the impact of recently divested and exited businesses and product lines, partially offset by a \$10.1 million increase from the impact of reserve-related adjustments to the Repair Solutions receivables portfolio.

R&D expenses increased \$14.2 million, or 8.7%, during the year ended December 31, 2024, as compared to the prior year and as a percentage of sales, increased 70 basis points during the same period, due to continued growth investments in our Mobility Technologies segment.

Amortization of acquisition-related intangible assets decreased \$1.5 million, or 1.8%, during the year ended December 31, 2024, as compared to the prior year and as a percentage of sales, increased 10 basis points during the same period.

Operating Profit

Operating profit decreased \$6.4 million, or 1.2%, during the year ended December 31, 2024, as compared to the prior year, and operating profit margin increased 40 basis points during the same period.

Segment operating profit is used as a performance metric by the chief operating decision maker (“CODM”) in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM’s assessment of reportable segment operating performance, including amortization of acquisition-related intangible assets, stock-based compensation expense, restructuring and other related charges and other unallocated income or expense not indicative of the segment’s core operating performance. As part of the CODM’s assessment of the Repair Solutions segment, a capital charge calculated based on the segment’s average gross outstanding financing receivables portfolio during the period and an estimated weighted average cost of capital is assessed by Corporate (the “Repair Solutions Capital Charge”). Refer to Note 15. Segment Information to the Consolidated Financial Statements for additional information.

Segment operating profit, operating profit and related margins were as follows for the periods indicated:

(\$ in millions)	Year Ended December 31,			
	2024	Margin	2023	Margin
Mobility Technologies	\$ 192.6	19.0 %	\$ 199.9	19.9 %
Repair Solutions	140.7	22.2	170.0	26.1
Environmental & Fueling Solutions	394.9	29.0	369.5	27.9
Other	(0.4)	(30.8)	11.3	9.5
Corporate & other unallocated costs ^(a)	(190.8)	(6.4)	(207.3)	(6.7)
Total operating profit	<u>\$ 537.0</u>	<u>18.0 %</u>	<u>\$ 543.4</u>	<u>17.6 %</u>

^(a) Margin for corporate & other unallocated costs is presented as a percentage of total sales. Refer to further discussion of Corporate & other unallocated costs below.

Mobility Technologies

Segment operating profit for our Mobility Technologies segment decreased \$7.3 million, or 3.7%, during the year ended December 31, 2024, as compared to the prior year, and segment operating profit margin decreased 90 basis points during the same period. The decrease in segment operating profit margin was due to a 180 basis points decrease from an increase in R&D from continued growth investments, offset by a 150 basis points increase from SG&A savings. The remaining decrease was due to the impact of product mix from lower demand for our cash wash solutions.

Repair Solutions

Segment operating profit for our Repair Solutions segment decreased \$29.3 million, or 17.2%, during the year ended December 31, 2024, as compared to the prior year, and segment operating profit margin decreased 390 basis points during the same period. The decrease in segment operating profit margin was due to a 130 basis points decrease from reserve-related adjustments to the receivables portfolio. The remaining decrease was due to the impact of lower volume and product mix, as service technicians have purchased lower price point products in response to the macroeconomic impacts on service technicians’ discretionary spending.

Environmental & Fueling Solutions

Segment operating profit for our Environmental & Fueling Solutions segment increased \$25.4 million, or 6.9%, during the year ended December 31, 2024, as compared to the prior year, and segment operating profit margin increased 110 basis points during the same period. The increase in segment operating profit margin was due to a 170 basis points increase from the net impact of our productivity initiatives that have reduced manufacturing, procurement and other costs and unfavorable product mix as compared to the prior year, offset by increased costs from inflationary pressures.

Corporate & Other Unallocated Costs

Corporate & other unallocated costs consists of the following for the periods indicated:

(\$ in millions)	Year Ended December 31,	
	2024	2023
Amortization of acquisition-related intangible assets	\$ (79.7)	\$ (81.2)
Stock-based compensation expense	(31.6)	(31.5)
Restructuring and other related charges	(13.5)	(25.2)
Other unallocated expense	(0.9)	(1.2)
Corporate costs	(109.0)	(109.9)
Repair Solutions Capital Charge	43.9	41.7
Total corporate & other unallocated costs	<u>\$ (190.8)</u>	<u>\$ (207.3)</u>

Corporate & other unallocated costs decreased \$16.5 million, or 8.0%, during the year ended December 31, 2024, as compared to the prior year, due to an \$11.7 million decrease in costs associated with restructuring activities. Corporate & other unallocated costs as a percentage of total sales decreased 30 basis points during the year ended December 31, 2024, as compared to the prior year.

NON-GAAP FINANCIAL MEASURES

Core Sales

We define core sales as total sales excluding (i) sales from acquired and certain divested businesses; (ii) the impact of currency translation; and (iii) certain other items.

- References to sales attributable to acquisitions or acquired businesses refer to GAAP sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to certain divested or exited businesses or product lines not considered discontinued operations.
- The portion of sales attributable to the impact of currency translation is calculated as the difference between (a) the period-to-period change in sales (excluding sales from acquired businesses) and (b) the period-to-period change in sales, including foreign operations (excluding sales from acquired businesses), after applying the current period foreign exchange rates to the prior year period.
- The portion of sales attributable to other items is calculated as the impact of those items which are not directly correlated to core sales which do not have an impact on the current or comparable period.

Core sales should be considered in addition to, and not as a replacement for or superior to, total sales, and may not be comparable to similarly titled measures reported by other companies.

Management believes that reporting the non-GAAP financial measure of core sales provides useful information to investors by helping identify underlying growth trends in our business and facilitating easier comparisons of our sales performance with our performance in prior and future periods and to our peers. We exclude the effect of acquisitions and certain divestiture-related items because the nature, size and number of such transactions can vary dramatically from period to period and between us and our peers. We exclude the effect of currency translation and certain other items from core sales because these items are either not under management's control or relate to items not directly correlated to core sales. Management believes the exclusion of these items from core sales may facilitate assessment of underlying business trends and may assist in comparisons of long-term performance.

INTEREST COSTS

Interest expense, net was \$74.7 million during the year ended December 31, 2024 as compared to \$93.7 million during the prior year, a decrease of \$19.0 million, driven by a decrease in our outstanding debt obligations and an increase in interest income between periods.

For a discussion of our outstanding indebtedness, refer to Note 10. Financing to the Consolidated Financial Statements.

INCOME TAXES

General

Income tax expense and deferred tax assets and liabilities reflect management's assessment of current and future taxes expected to be paid on items reflected in our financial statements. Our effective tax rate can be affected by, among other items, changes in the mix of earnings in countries with differing statutory tax rates (including as a result of business acquisitions and dispositions), changes in the valuation of deferred tax assets and liabilities, the implementation of tax planning strategies, tax rulings, court decisions, settlements with tax authorities and changes in tax laws.

We are routinely examined by various domestic and international taxing authorities. The amount of income taxes we pay is subject to audit by federal, state and foreign tax authorities, which may result in proposed assessments. The Company is subject to examination in the United States, various states and foreign jurisdictions. We review our global tax positions on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions and the expiration of statutes of limitations reserves for contingent tax liabilities are accrued or adjusted as necessary. The IRS concluded examination procedures on the Company's initial U.S. federal income tax return for the post-Separation period of 2020. No material adjustments were identified, as such the Company has released all uncertain tax positions associated with the U.S. federal income tax return for the post-Separation period in 2020. The Company remains subject to U.S. Federal income tax audit for 2021 through 2023. The Company is subject to tax audits for its combined/consolidated state income tax returns for post-Separation 2020 through 2023. The Company remains subject to tax audits for its separate company tax returns in various U.S. states for the tax years 2020 to 2023. Our operations in certain foreign jurisdictions remain subject to routine examinations for the tax years 2017 to 2023.

The OECD agreed among over 130 countries on the Pillar Two proposals which establish a global minimum effective tax rate of 15% for multinational groups with annual global revenue exceeding €750 million. Many countries continue to announce changes in their tax laws and regulations based on the Pillar Two proposals, including the European Union ("EU") Member States which unanimously adopted the EU Pillar Two Directive, providing for a minimum effective tax rate of 15%. As of December 31, 2024, various EU Member States have enacted Pillar Two legislation. The Company performed an analysis of the impact of the legislation, and we expect no significant impact to our financial statements.

For a description of our income tax accounting policies, refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies and Note 14. Income Taxes to the Consolidated Financial Statements.

Comparison of the Years Ended December 31, 2024 and 2023

Our effective tax rate for the years ended December 31, 2024 and 2023 was 15.2% and 22.0%, respectively. The decrease in our effective tax rate during the year ended December 31, 2024, as compared to the prior year, was primarily due to favorable impacts related to business reorganizations and divestitures and a decrease to uncertain tax positions.

Our effective tax rate for the year ended December 31, 2024 differs from the U.S. federal statutory rate of 21.0% primarily due to the effect of state taxes, foreign derived intangible income, and tax credits. Additionally, there were favorable impacts related to business reorganizations and divestitures and a decrease to uncertain tax positions.

Our effective tax rate for the year ended December 31, 2023 differs from the U.S. federal statutory rate of 21.0% primarily due to the effect of state taxes, foreign derived intangible income and tax credits. Additionally, there were favorable impacts related to non-taxable income and business reorganizations and divestitures which were offset by an increase to uncertain tax positions.

COMPREHENSIVE INCOME

Comprehensive income decreased by \$2.4 million during the year ended December 31, 2024, as compared to the prior year. Comprehensive income for the year ended December 31, 2024 includes an unfavorable foreign currency translation adjustment of \$49.6 million and a gain on the sale of the Company's Coats business of \$37.2 million. Comprehensive income for the year ended December 31, 2023 includes a gain on the sale of the Company's Global Traffic Technologies business of \$34.4 million.

Refer to Note 20. Divestitures to the Consolidated Financial Statements for additional information on the divestitures of our Coats and Global Traffic Technologies businesses.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

We are exposed to market risk from changes in interest rates, foreign currency exchange rates, credit risk and commodity prices, each of which could impact our financial statements. We generally address our exposure to these risks through our normal operating and financing activities. In addition, our broad-based business activities help to reduce the impact that volatility in any particular area or related areas may have on our operating profit as a whole.

Interest Rate Risk

We are exposed to interest rate risk through fluctuations in interest rates on our debt obligations. As of December 31, 2024, we had \$550.0 million outstanding of debt that was subject to variable interest rates. As a result, increases in interest rates could increase the cost of servicing our debt and could materially reduce our profitability and cash flows. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities.

A hypothetical 100 basis points increase in market interest rates as of December 31, 2024 on our variable-rate debt obligations as of December 31, 2024 would increase our annual interest expense by approximately \$5.5 million.

Foreign Currency Exchange Rate Risk

We face transactional exchange rate risk from transactions with customers in countries outside of the United States and from intercompany transactions between affiliates. Transactional exchange rate risk arises from the purchase and sale of goods and services in currencies other than our functional currency or the functional currency of an applicable subsidiary. We also face translational exchange rate risk related to the translation of financial statements of our foreign operations into U.S. dollars, our functional currency. Costs incurred and sales recorded by subsidiaries operating outside of the United States are translated into U.S. dollars using exchange rates effective during the respective period. As a result, we are exposed to movements in the exchange rates of various currencies against the U.S. dollar. The effect of a change in currency exchange rates on our net investment in international subsidiaries is reflected in the accumulated other comprehensive income component of equity. A 10% change in major currencies relative to the U.S. dollar as of December 31, 2024 would have resulted in an impact to equity of approximately \$87.0 million.

Currency exchange rates negatively impacted reported sales for the year ended December 31, 2024 by 0.8% as compared to the prior year, as the U.S. dollar was, on average, stronger against most major currencies during the year ended December 31, 2024 as compared to exchange rate levels during the prior year. If the exchange rates in effect as of December 31, 2024 were to prevail throughout the year ended December 31, 2025, currency exchange rates would negatively impact estimated sales for the year ended December 31, 2025 by approximately 1.2% compared to the year ended December 31, 2024.

In general, weakening of the U.S. dollar against other major currencies would positively impact our sales and results of operations on an overall basis and strengthening of the U.S. dollar against other major currencies would adversely impact our sales and results of operations.

We have generally accepted the exposure to exchange rate movements without using derivative financial instruments to manage this risk. Both positive and negative movements in currency exchange rates against the U.S. dollar will therefore continue to affect the reported amount of sales, profit, and assets and liabilities in our Consolidated Financial Statements.

Credit Risk

We are exposed to potential credit losses in the event of nonperformance by counterparties to our financial instruments. Financial instruments that potentially subject us to credit risk consist of cash and highly-liquid investment grade cash equivalents, and receivables from customers and franchisees. We place cash and cash equivalents with various high-quality financial institutions throughout the world and exposure is limited at any one institution. Although we typically do not obtain collateral or other security to secure these obligations, we regularly monitor third party depository institutions that hold our cash and cash equivalents. We emphasize safety and liquidity of principal over yield on those funds. Concentrations of credit risk arising from receivables from customers are limited due to the diversity of our customers. We perform credit evaluations of our customers' financial conditions and also obtain collateral or other security as appropriate. Notwithstanding these efforts, distress in the global economy may increase the difficulty in collecting receivables.

The assumptions used in evaluating our exposure to credit losses associated with our financing receivables portfolio involve estimates and significant judgment. Holding other estimates constant, a hypothetical 100 basis points increase in the expected loss rate on the financing receivables portfolio would have resulted in an increase in the allowance for credit losses of approximately \$5.0 million as of December 31, 2024.

No customer accounted for more than 10% of sales during all periods presented.

Commodity Price Risk

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

LIQUIDITY AND CAPITAL RESOURCES

We assess our liquidity in terms of our ability to generate cash to fund our operating, investing and financing activities. We generate substantial cash from operating activities and believe that our operating cash flow and other sources of liquidity will be sufficient to allow us to continue to support working capital needs, capital expenditures, pay interest and service debt, pay taxes and any related interest or penalties, fund our restructuring activities and pension plans as required, invest in existing businesses, consummate strategic acquisitions, manage our capital structure on a short and long-term basis and support other business needs or objectives. Refer also to Note 10. Financing to the Consolidated Financial Statements for additional information.

Our long-term debt requires, among others, that we maintain certain financial covenants, and we were in compliance with all of these covenants as of December 31, 2024.

2024 Financing and Capital Transactions

During the year ended December 31, 2024, we completed the following financing and capital transactions:

- Voluntarily repaid \$150.0 million of the Three-Year Term Loans Due 2024 and the Three-Year Term Loans Due 2025;
- Repurchased 3.0 million shares for \$100.0 million through an accelerated share repurchase (“ASR”) agreement;
- Repurchased 0.6 million shares for \$25.0 million through a share repurchase agreement; and
- Repurchased 2.7 million shares for \$99.7 million in the open market.

Refer to Note 10. Financing to the Consolidated Financial Statements for more information related to our long-term indebtedness and Note 19. Capital Stock and Earnings per Share to the Consolidated Financial Statements for more information related to our share repurchases.

Overview of Cash Flows and Liquidity

Following is an overview of our cash flows and liquidity:

(\$ in millions)	Year Ended December 31,	
	2024	2023
Net cash provided by operating activities	\$ 427.5	\$ 455.0
Proceeds from sale of business, net of cash provided	\$ 68.4	\$ 107.5
Payments for additions to property, plant and equipment	(82.7)	(60.1)
Proceeds from sale of property, plant and equipment	5.6	4.5
Cash paid for equity investments	(2.9)	(3.0)
Proceeds from sale of equity securities	0.2	20.4
Net cash (used in) provided by investing activities	\$ (11.4)	\$ 69.3
Repayment of long-term debt	(150.0)	(300.0)
Net (repayments of) proceeds from short-term borrowings	(4.5)	1.9
Payments of common stock cash dividend	(15.2)	(15.5)
Purchases of treasury stock	(224.7)	(74.7)
Proceeds from stock option exercises	17.0	10.4
Other financing activities	(14.9)	(9.9)
Net cash used in financing activities	\$ (392.3)	\$ (387.8)

Operating Activities

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

Cash flows from operating activities were \$427.5 million during the year ended December 31, 2024, a decrease of \$27.5 million as compared to the prior year. The year-over-year change in operating cash flows was primarily attributable to the following factors:

- The aggregate of accounts receivable and long-term financing receivables used \$56.0 million of operating cash flows during the year ended December 31, 2024 as compared to using \$6.9 million in the prior year. The amount of cash flow generated from or used by accounts receivable depends upon how effectively we manage the cash conversion cycle and can be significantly impacted by the timing of collections in a period. Additionally, when we originate certain financing receivables, we assume the financing receivable by decreasing the franchisee's trade accounts receivable. As a result, originations of certain financing receivables are non-cash transactions.
- The aggregate of other operating assets and liabilities used \$30.7 million of cash during the year ended December 31, 2024 compared to generating \$6.8 million in the prior year. This difference is due primarily to working capital needs and the timing of accruals and payments and tax-related amounts.

Investing Activities

Net cash used in investing activities was \$11.4 million during the year ended December 31, 2024, driven by payments for additions to property, plant and equipment, partially offset by proceeds from the sale of our Coats business. Net cash provided by investing activities was \$69.3 million during the year ended December 31, 2023, driven by proceeds from the sale of our Global Traffic Technologies business and equity securities, partially offset by payments for additions to property, plant and equipment.

We made capital expenditures of \$82.7 million and \$60.1 million during the years ended December 31, 2024 and 2023, respectively.

Financing Activities

Net cash used in financing activities was \$392.3 million during the year ended December 31, 2024, driven by the voluntary repayment of \$150.0 million of the Three-Year Term Loans due 2024 and Three-Year Term Loans due 2025 and repurchases of the Company's common stock of \$224.7 million. Net cash used in financing activities was \$387.8 million during the year ended December 31, 2023, driven primarily by the voluntary repayment of \$300.0 million of the Three-Year Term Loans due 2024 and repurchases of the Company's common stock of \$74.7 million.

Share Repurchase Program

Refer to Note 19. Capital Stock and Earnings per Share to the Consolidated Financial Statements for a description of the Company's share repurchase program.

Dividends

We paid regular quarterly cash dividends of \$0.025 per share during the year ended December 31, 2024. The declaration of future cash dividends is at the discretion of our Board of Directors and will depend upon, among other things, our future earnings, cash flows, capital requirements, financial condition and general business conditions.

Supplemental Guarantor Financial Information

As of December 31, 2024, we had \$1.6 billion in aggregate principal amount of registered notes and \$550.0 million in aggregate principal amount outstanding of term loans. Our obligations to pay principal and interest on the registered notes and term loans are fully and unconditionally guaranteed on a joint and several basis on an unsecured, unsubordinated basis by Gilbarco Inc. and Matco Tools Corporation, two of Vontier's wholly-owned subsidiaries (the "Guarantor Subsidiaries"). Our other subsidiaries do not guarantee any such indebtedness (collectively, the "Non-Guarantor Subsidiaries"). Refer to Note 10. Financing to the Consolidated Financial Statements for additional information regarding the terms of our notes and the term loans.

The registered notes and the guarantees thereof are the Company's and the Guarantor Subsidiaries' senior unsecured obligations and:

- rank without preference or priority among themselves and equally in right of payment with our existing and any future unsecured and unsubordinated indebtedness, including, without limitation, indebtedness under our credit agreement;
- are senior in right of payment to any of our existing and future indebtedness that is subordinated to the notes;
- are effectively subordinated to any of our existing and future secured indebtedness to the extent of the assets securing such indebtedness; and

- are structurally subordinated to all existing and any future indebtedness and any other liabilities of our Non-Guarantor Subsidiaries.

The following tables present summarized financial information for Vontier Corporation and the Guarantor Subsidiaries on a combined basis and after the elimination of (a) intercompany transactions and balances between Vontier Corporation and the Guarantor Subsidiaries and (b) equity in earnings from and investments in the Non-Guarantor Subsidiaries.

Summarized Results of Operations Data (\$ in millions)	Year Ended December 31, 2024
Net sales ^(a)	\$ 1,524.9
Operating profit ^(b)	521.0
Net income ^(c)	\$ 363.2

^(a) Includes intercompany sales of \$33.2 million.

^(b) Includes intercompany operating profit of \$14.2 million.

^(c) Includes intercompany pretax income of \$17.7 million.

Summarized Balance Sheet Data (\$ in millions)	December 31, 2024
Assets	
Current assets	\$ 433.0
Intercompany receivables	2,090.2
Noncurrent assets	664.7
Total assets	\$ 3,187.9
Liabilities	
Current liabilities	\$ 895.6
Intercompany payables	256.7
Noncurrent liabilities	1,645.7
Total liabilities	\$ 2,798.0

Cash and Cash Requirements

As of December 31, 2024, we held approximately \$356.4 million of cash and cash equivalents that were held in either operating accounts or invested in highly liquid investment-grade instruments with a maturity of 90 days or less with an annual effective rate generally around 4.5% as of December 31, 2024. Approximately 55% of our cash was held outside of the United States.

We have made an assertion regarding the amount of earnings that we do not intend to repatriate due to local working capital needs, local law restrictions, high foreign remittance costs, previous investments in physical assets and acquisitions, or future growth needs. Such earnings are intended for indefinite foreign reinvestment and no provision for income taxes has been made. The amount of income taxes that may be applicable to such earnings is not readily determinable given the unknown duration of local law restrictions as applicable to such earnings, unknown changes in foreign tax law that may occur during the restriction periods, and the various alternatives we could employ if we repatriated these earnings. The cash that our foreign subsidiaries hold for indefinite reinvestment is generally used to finance foreign operations and investments, including acquisitions.

We have cash requirements to support working capital needs, capital expenditures, pay interest and service debt, pay taxes and any related interest or penalties, fund our restructuring activities and pension plans as required and support other business needs or objectives. Refer to Note 9. Leases and Note 10. Financing to the Consolidated Financial Statements for further details on our contractual obligations and the timing of expected future payments under our lease and debt agreements, respectively.

We also have purchase obligations which consist of agreements to purchase goods or services that are enforceable and legally binding on us and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum or variable price provisions and the approximate timing of the transaction. As of December 31, 2024, we had purchase obligations of \$241.9 million, with \$235.6 million payable in the next 12 months.

With respect to our cash requirements, we generally intend to use available cash and internally generated funds to meet these cash requirements, but in the event that additional liquidity is required, particularly in connection with acquisitions, we may also borrow under our credit facilities, enter into new credit facilities and borrow directly thereunder and/or access the capital markets. As of December 31, 2024, we had \$750.0 million of borrowing capacity under our revolving credit facility. We also may from time to time access the capital markets, including to take advantage of favorable interest rate environments or other market conditions.

As of December 31, 2024, we believe that we have sufficient liquidity to satisfy our cash needs.

Guarantees

As of December 31, 2024, the Company had guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds of \$81.4 million. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

LEGAL PROCEEDINGS

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

CRITICAL ACCOUNTING ESTIMATES

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

We believe the following accounting estimates are most critical to an understanding of our financial statements. Estimates are considered to be critical if they meet both of the following criteria: (i) the estimate requires assumptions about material matters that are uncertain at the time the estimate is made, and (ii) material changes in the estimate are reasonably likely from period to period. For a detailed discussion on the application of these and other accounting estimates, refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies to the Consolidated Financial Statements.

Accounts and Financing Receivables Allowances

We maintain allowances for credit losses to reflect expected credit losses inherent in our portfolio of receivables. Determination of the allowances requires us to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the allowances and, therefore, net earnings. The allowances for credit losses represent management's best estimate of the credit losses expected from our trade accounts and financing receivables portfolios over the remaining contractual life. We pool assets with similar risk characteristics for this measurement based on attributes that may include asset type, duration, and/or credit risk rating. The future expected losses of each pool are estimated based on numerous quantitative and qualitative factors reflecting management's estimate of collectability over the remaining contractual life of the pooled assets, including:

- portfolio duration;
- historical, current, and forecasted future loss experience by asset type;
- historical, current, and forecasted delinquency and write-off trends;
- historical, current, and forecasted economic conditions; and
- historical, current, and forecasted credit risk.

We regularly perform detailed reviews of our accounts receivable and financing receivables portfolios to determine if changes in the aforementioned qualitative and quantitative factors have impacted the adequacy of the allowances.

Inventories

We record inventory at the lower of cost or net realizable value, which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. We estimate the net realizable value of inventory based on assumptions of future demand and related pricing. Estimating the net realizable value of inventory is inherently uncertain because levels of demand, technological advances and pricing competition in many of our markets can fluctuate significantly from period to period due to circumstances beyond our control. If actual market conditions are less favorable than those projected, we could be required to reduce the value of our inventory, which would adversely impact our financial statements.

Goodwill and Other Intangible Assets

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities. In accordance with accounting standards related to business combinations, neither goodwill nor indefinite-lived intangible assets are amortized; however, definite-lived identifiable intangible assets, primarily customer relationships, acquired technology and trade names, are amortized over their estimated useful lives. We assess the goodwill of each of our reporting units for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that goodwill may not be recoverable.

When evaluating for impairment, we may first perform a qualitative assessment to determine whether it is more likely than not that a reporting unit or indefinite-lived intangible asset is impaired. If we do not perform a qualitative assessment, or if we determine that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset exceeds its carrying amount, we will calculate the estimated fair value of the reporting unit or indefinite-lived intangible asset. Our decision to perform a qualitative impairment assessment for an individual reporting unit in a given year is influenced by a number of factors, inclusive of the size of the reporting unit's goodwill, the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments and the date of acquisition.

As part of our 2024 annual impairment analysis, we elected to apply the qualitative goodwill impairment assessment guidance in ASC 350-20, *Goodwill*, for all three of our reporting units as of the assessment date, or approximately \$1.7 billion of goodwill as of the assessment date. Factors we considered in the qualitative assessment included general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of our reporting units, events or changes affecting the composition or carrying value of the net assets of our reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on our assessment we determined on the basis of the qualitative and quantitative factors, that the fair values of the reporting units were more likely than not greater than their respective carrying values, and therefore, a quantitative test was not required.

If we do not perform a qualitative assessment, goodwill impairment is determined by using a quantitative approach. We identify potential impairment by comparing the fair value of each reporting unit, determined using various valuation techniques, with the primary technique being a discounted cash flow analysis, to its carrying value. If the carrying amount of the reporting unit exceeds the fair value, an impairment loss is recognized.

We review identified intangible assets for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. We also test intangible assets with indefinite lives at least annually for impairment. In these analyses management considers general macroeconomic conditions, industry and market conditions, cost factors, financial performance and other entity and asset specific events and may require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

If actual results are not consistent with management's estimates and assumptions, goodwill and other intangible assets may be overstated, and a charge would need to be taken against net earnings which would adversely affect our financial statements. No goodwill or other intangible assets impairment charges were recorded during the years ended December 31, 2024, 2023 and 2022.

Contingent Liabilities

We are, from time to time, subject to a variety of litigation and similar contingent liabilities incidental to our business or the business operations of previously owned entities. We recognize a liability for any contingency that is known or probable of occurrence and reasonably estimable. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, outside risk insurance professionals may assist in the determination of reserves for incurred but not yet reported claims through evaluation of our specific loss history, actual claims reported, and industry trends among statistical and other factors. Reserve estimates are adjusted as additional information regarding a claim becomes known. If the reserves established with respect to these contingent liabilities are inadequate, we would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect our financial statements.

Revenue Recognition

We derive revenues from the sale of products and services. For revenue related to a product or service to qualify for recognition, we must have an enforceable contract with a customer that defines the goods or services to be transferred and the payment terms related to those goods or services. Further, collection of substantially all consideration for the goods or services transferred must be probable based on the customer's intent and ability to pay the promised consideration. We apply judgment in determining the customer's ability and intention to pay, which is based on a combination of financial and qualitative factors, including the customers' financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information.

Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are considered in determining the transaction price for the contract. Significant judgment is exercised in determining product returns, customer allowances and rebates, which are estimated based on historical experience and known trends.

Certain customer arrangements, including our SaaS product offerings, include multiple performance obligations, typically hardware, installation, training, consulting, services and/or post-contract customer support ("PCS"). The Company allocates the contract transaction price to each performance obligation using the observable price that the good or service sells for separately in similar circumstances and to similar customers. Allocating the transaction price to each performance obligation may require judgment.

If our judgments regarding revenue recognition prove incorrect, our reported revenues in particular periods may be adversely affected. Historically, our estimates of revenue have been materially correct.

Income Taxes

In accordance with GAAP, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the tax benefit has already been reflected in our Consolidated Statements of Earnings and Comprehensive Income. We establish valuation allowances for our deferred tax assets if it is more likely than not that some or all of the deferred tax asset will not be realized. This requires the Company to make judgments and estimates regarding the timing and amount of the reversal of taxable temporary differences, expected future taxable income and the impact of tax planning strategies.

We provide for unrecognized tax benefits when, based upon the technical merits, it is "more-likely-than-not" that an uncertain tax position will not be sustained upon examination. Judgment is required in evaluating tax positions and determining income tax provisions. We re-evaluate the technical merits of our tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. We recognize potential accrued interest and penalties associated with unrecognized tax positions in income tax expense.

Business Combinations

Accounting for business combinations requires management to make significant estimates and assumptions, especially at the acquisition date, for intangible assets. Although we believe the assumptions and estimates we have made have been reasonable and appropriate, they are based, in part, on historical experience and information obtained from management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain of the intangible assets we have acquired include, but are not limited to, estimates about future results such as revenues, margin, net working capital and other valuation assumptions such as useful lives, royalty rates, attrition rates and discount rates. The discount rates used to discount expected future cash flows to present value are typically derived from a weighted-average cost of capital analysis and adjusted to reflect inherent risks. Unanticipated events and circumstances may occur that could affect either the accuracy or validity of such assumptions, estimates or actual results.

NEW ACCOUNTING STANDARDS

Refer to Note 2. Basis of Presentation and Summary of Significant Accounting Policies to the Consolidated Financial Statements for information regarding new accounting standards.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

**VONTIER CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in "Internal Control-Integrated Framework" (2013 framework). Based on this assessment, management concluded that, as of December 31, 2024, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting. This report dated February 13, 2025 appears on page [42](#) of this Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Vontier Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Vontier Corporation and subsidiaries' internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Vontier Corporation and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of earnings and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the index at Item 15(a) and our report dated February 13, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

Raleigh, North Carolina
February 13, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Vontier Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Vontier Corporation and subsidiaries (the Company) as of December 31, 2024 and 2023, the related consolidated statements of earnings and comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 13, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Description of the Matter

Allowance for credit losses of commercial purchase security agreements

As described in Note 4 to the consolidated financial statements, the Company's financing receivables portfolio and the associated allowance for credit losses for commercial purchase security agreements, were \$352.2 million and \$38.2 million as of December 31, 2024, respectively. As disclosed in Note 2 to the consolidated financial statements, the Company estimates the allowance for credit losses for financing receivables based on numerous quantitative and qualitative factors reflecting management's estimate of collectability over the remaining contractual life of the financing receivables.

Auditing the Company's allowance for credit losses was challenging in that it requires significant judgment about the severity of credit losses, including the risk profile of each underlying receivable and expectations regarding the impact of current and future economic conditions on the creditworthiness of its customers.

How we Addressed the Matter in our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of management's controls over the allowance for credit losses including controls over the completeness and accuracy of underlying data. To test the allowance for credit losses, our audit procedures included, among others, evaluating the methods and assumptions used by management, including comparing actual losses incurred to management's historical estimates, evaluating external economic and industry trends and evaluating the overall composition of the financing receivables portfolio.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2019.

Raleigh, North Carolina
February 13, 2025

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions, except per share amounts)

	December 31,	
	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 356.4	\$ 340.9
Accounts receivable, less allowance for credit losses of \$34.9 million and \$35.7 million as of December 31, 2024 and 2023, respectively	526.1	497.5
Inventories	337.8	296.6
Prepaid expenses and other current assets	149.7	141.4
Current assets held for sale	—	56.1
Total current assets	1,370.0	1,332.5
Property, plant and equipment, net	120.2	102.3
Operating lease right-of-use assets	46.8	47.0
Long-term financing receivables, less allowance for credit losses of \$32.2 million and \$33.7 million as of December 31, 2024 and 2023, respectively	291.7	276.2
Other intangible assets, net	486.5	568.3
Goodwill	1,726.0	1,742.4
Other assets	269.3	225.3
Total assets	\$ 4,310.5	\$ 4,294.0
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term borrowings and current portion of long-term debt	\$ 52.3	\$ 106.6
Trade accounts payable	378.1	366.8
Current operating lease liabilities	16.3	14.0
Accrued expenses and other current liabilities	462.5	435.8
Current liabilities held for sale	—	32.1
Total current liabilities	909.2	955.3
Long-term operating lease liabilities	36.6	37.1
Long-term debt	2,092.0	2,189.0
Other long-term liabilities	212.8	217.0
Total liabilities	3,250.6	3,398.4
Commitments and Contingencies (Note 17)		
Equity:		
Preferred stock, 15.0 million shares authorized; no par value; no shares issued and outstanding	—	—
Common stock, 2.0 billion shares authorized; \$0.0001 par value; 172.1 million and 170.8 million shares issued, and 149.3 million and 154.3 million outstanding as of December 31, 2024 and 2023, respectively	—	—
Treasury stock, at cost, 22.8 million and 16.5 million shares as of December 31, 2024 and 2023, respectively	(627.0)	(403.4)
Additional paid-in capital	83.0	56.8
Retained earnings	1,539.1	1,132.1
Accumulated other comprehensive income	56.0	104.9
Total Vontier stockholders' equity	1,051.1	890.4
Noncontrolling interests	8.8	5.2
Total equity	1,059.9	895.6
Total liabilities and equity	\$ 4,310.5	\$ 4,294.0

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME
(in millions, except per share amounts)

	Year Ended December 31,		
	2024	2023	2022
Sales of products	\$ 2,668.4	\$ 2,778.1	\$ 2,874.3
Sales of services	310.6	317.1	310.1
Total sales	2,979.0	3,095.2	3,184.4
Operating costs and expenses:			
Cost of product sales, excluding amortization of acquisition-related intangible assets	(1,354.9)	(1,451.0)	(1,552.5)
Cost of service sales, excluding amortization of acquisition-related intangible assets	(200.0)	(213.0)	(203.6)
Selling, general and administrative expenses	(629.7)	(643.1)	(627.8)
Research and development expenses	(177.7)	(163.5)	(144.6)
Amortization of acquisition-related intangible assets	(79.7)	(81.2)	(78.0)
Operating profit	537.0	543.4	577.9
Non-operating income (expense), net:			
Interest expense, net	(74.7)	(93.7)	(69.6)
Gain on sale of business	37.2	34.4	—
Gain on previously held equity interests from combination of business	—	—	32.7
Unrealized loss on equity securities measured at fair value	—	—	(8.7)
Other non-operating expense, net	(1.9)	(0.6)	(4.9)
Earnings before income taxes	497.6	483.5	527.4
Provision for income taxes	(75.4)	(106.6)	(126.1)
Net earnings	\$ 422.2	\$ 376.9	\$ 401.3
Net earnings per share:			
Basic	\$ 2.76	\$ 2.43	\$ 2.50
Diluted	\$ 2.75	\$ 2.42	\$ 2.49
Weighted average shares outstanding:			
Basic	152.8	155.1	160.5
Diluted	153.8	156.0	161.0
Net earnings	\$ 422.2	\$ 376.9	\$ 401.3
Other comprehensive income (loss), net of income taxes:			
Foreign currency translation adjustments	(49.6)	(1.3)	(77.1)
Other adjustments	0.7	0.1	1.5
Total other comprehensive loss, net of income taxes	(48.9)	(1.2)	(75.6)
Comprehensive income	\$ 373.3	\$ 375.7	\$ 325.7

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions, except per share amounts)

	Common Stock		Treasury Stock		Additional	Retained	Accumulated Other	Noncontrolling	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	Earnings	Comprehensive Income	Interests	
Balance, December 31, 2021	169.2	\$ —	—	\$ —	\$ 1.5	\$ 386.7	\$ 181.7	\$ 3.8	\$ 573.7
Net earnings	—	—	—	—	—	401.3	—	—	401.3
Dividends on common stock (\$0.025 per share)	—	—	—	—	—	(15.9)	—	—	(15.9)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(75.6)	—	(75.6)
Stock-based compensation expense	—	—	—	—	23.9	—	—	0.4	24.3
Common stock-based award activity, net of shares for tax withholding	0.5	—	—	—	(1.6)	—	—	—	(1.6)
Purchase of treasury stock	—	—	13.7	(328.0)	—	—	—	—	(328.0)
Change in noncontrolling interests and other	—	—	—	—	3.8	(1.3)	—	(1.2)	1.3
Balance, December 31, 2022	169.7	—	13.7	(328.0)	27.6	770.8	106.1	3.0	579.5
Net earnings	—	—	—	—	—	376.9	—	—	376.9
Dividends on common stock (\$0.025 per share)	—	—	—	—	—	(15.6)	—	—	(15.6)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(1.2)	—	(1.2)
Stock-based compensation expense	—	—	—	—	27.4	—	—	4.1	31.5
Common stock-based award activity, net of shares for tax withholding	1.1	—	—	—	2.2	—	—	—	2.2
Purchase of treasury stock	—	—	2.8	(75.4)	—	—	—	—	(75.4)
Change in noncontrolling interests and other	—	—	—	—	(0.4)	—	—	(1.9)	(2.3)
Balance, December 31, 2023	170.8	—	16.5	(403.4)	56.8	1,132.1	104.9	5.2	895.6
Net earnings	—	—	—	—	—	422.2	—	—	422.2
Dividends on common stock (\$0.025 per share)	—	—	—	—	—	(15.2)	—	—	(15.2)
Other comprehensive loss, net of income taxes	—	—	—	—	—	—	(48.9)	—	(48.9)
Stock-based compensation expense	—	—	—	—	27.4	—	—	4.2	31.6
Common stock-based award activity, net of shares for tax withholding	1.3	—	—	—	4.9	—	—	—	4.9
Purchase of treasury stock	—	—	6.3	(223.6)	(2.5)	—	—	—	(226.1)
Change in noncontrolling interests and other	—	—	—	—	(3.6)	—	—	(0.6)	(4.2)
Balance, December 31, 2024	172.1	\$ —	22.8	\$ (627.0)	\$ 83.0	\$ 1,539.1	\$ 56.0	\$ 8.8	\$ 1,059.9

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net earnings	\$ 422.2	\$ 376.9	\$ 401.3
Non-cash items:			
Depreciation expense	47.4	43.8	40.9
Amortization of acquisition-related intangible assets	79.7	81.2	78.0
Stock-based compensation expense	31.6	31.5	24.3
Gain on sale of business	(37.2)	(34.4)	—
Gain on previously held equity interests from combination of business	—	—	(32.7)
Unrealized loss on equity securities measured at fair value	—	—	8.7
Change in deferred income taxes	(32.8)	(47.3)	(41.2)
Other non-cash items	3.3	3.4	11.9
Change in accounts receivable, net	(203.9)	(148.1)	(217.2)
Change in inventories	(48.5)	48.9	(74.3)
Change in long-term financing receivables, net	147.9	141.2	140.3
Change in trade accounts payable	14.9	(66.8)	21.3
Change in other operating assets and liabilities	2.9	24.7	(40.1)
Net cash provided by operating activities	427.5	455.0	321.2
Cash flows from investing activities:			
Proceeds from sale of business, net of cash provided	68.4	107.5	—
Cash paid for acquisitions, net of cash received	—	—	(277.5)
Payments for additions to property, plant and equipment	(82.7)	(60.1)	(60.0)
Proceeds from sale of property, plant and equipment	5.6	4.5	0.4
Cash paid for equity investments	(2.9)	(3.0)	(11.8)
Proceeds from sale of equity securities	0.2	20.4	19.0
Net cash (used in) provided by investing activities	(11.4)	69.3	(329.9)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	—	—	1,167.0
Repayment of long-term debt	(150.0)	(300.0)	(1,167.0)
Net (repayments of) proceeds from short-term borrowings	(4.5)	1.9	0.4
Payments for debt issuance costs	—	—	(0.8)
Payments of common stock cash dividend	(15.2)	(15.5)	(15.9)
Purchases of treasury stock	(224.7)	(74.7)	(328.0)
Proceeds from stock option exercises	17.0	10.4	2.5
Other financing activities	(14.9)	(9.9)	(6.1)
Net cash used in financing activities	(392.3)	(387.8)	(347.9)
Effect of exchange rate changes on cash and cash equivalents	(8.3)	(0.1)	(11.5)
Net change in cash and cash equivalents	15.5	136.4	(368.1)
Beginning balance of cash and cash equivalents	340.9	204.5	572.6
Ending balance of cash and cash equivalents	\$ 356.4	\$ 340.9	\$ 204.5

See the accompanying Notes to the Consolidated Financial Statements.

VONTIER CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BUSINESS OVERVIEW

Nature of Business

Vontier Corporation (“Vontier” or the “Company”) is a global industrial technology company uniting productivity, automation and multi-energy technologies to meet the needs of a rapidly evolving, more connected mobility ecosystem. The Company operates through three reportable segments which align to the Company’s three operating segments: (i) Mobility Technologies, which provides digitally enabled equipment and solutions to support efficient operations across the mobility ecosystem, including point-of-sale and payment systems, workflow automation solutions, telematics, data analytics, software platform for electric vehicle charging networks, and integrated solutions for alternative fuel dispensing; (ii) Repair Solutions, which manufactures and distributes aftermarket vehicle repair tools, toolboxes, automotive diagnostic equipment and software through a network of mobile franchisees; and (iii) Environmental & Fueling Solutions, which provides environmental and fueling hardware and software, and aftermarket solutions for global fueling infrastructure.

Vontier Corporation was incorporated in 2019 in connection with the separation of Vontier from Fortive Corporation (“Fortive” or “Former Parent”) on October 9, 2020, as an independent company (the “Separation”).

NOTE 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Consolidated Financial Statements present the Company’s historical financial position, results of operations, changes in equity and cash flows in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

The Consolidated Financial Statements include all accounts of Vontier and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. The Consolidated Financial Statements also reflect the impact of noncontrolling interests. Noncontrolling interests do not have a significant impact on the Company’s consolidated results of operations, therefore, net earnings and net earnings per share attributable to noncontrolling interests are not presented separately in the Company’s Consolidated Statements of Earnings and Comprehensive Income. Net earnings attributable to noncontrolling interests have been reflected in selling, general and administrative expenses (“SG&A”) and were insignificant in all periods presented.

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents are valued at cost, plus accrued interest, which approximates fair value due to the short-term maturity of these instruments.

Accounts and Financing Receivables and Allowances for Credit Losses

All trade accounts and financing receivables are reported in the accompanying Consolidated Balance Sheets net of allowances for credit losses. The allowances for credit losses represent management’s best estimate of the credit losses expected from trade accounts and financing receivables portfolios. Determination of the allowances requires management to exercise judgment about the timing, frequency and severity of credit losses that could materially affect the provision for credit losses and, therefore, net earnings. The Company regularly performs detailed reviews of its portfolios to determine if an impairment has occurred and evaluate the collectability of receivables based on a combination of financial and qualitative factors that may affect customers’ ability to pay, including customers’ financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information. In circumstances where the Company is aware of a specific customer’s inability to meet its financial obligations, a specific reserve is recorded against amounts due to reduce the recognized receivable to the amount reasonably expected to be collected.

Additions to the allowances for credit losses are charged to current period earnings and amounts determined to be uncollectible are charged directly against the allowances. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional reserves would be required. The Company does not believe that accounts and financing receivables represent significant concentrations of credit risk because of the diversified portfolio of individual customers and geographical areas. Expense associated with credit losses was \$51.2 million, \$42.5 million and \$32.2 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Financing Receivables

The Company estimates its allowance to reflect expected credit losses over the remaining contractual life of the asset. Assets with similar risk characteristics are pooled for this measurement based on attributes which includes asset type, duration, and/or credit risk rating. The future expected losses of each pool are estimated based on numerous quantitative and qualitative factors reflecting management's estimate of collectability over the remaining contractual life of the pooled assets, including:

- portfolio duration;
- historical, current, and forecasted future loss experience by asset type;
- historical, current, and forecasted delinquency and write-off trends;
- historical, current, and forecasted economic conditions; and
- historical, current, and forecasted credit risk.

Inventories

Inventories include the costs of material, labor and overhead and are stated at the lower of cost or net realizable value using the first-in, first-out ("FIFO") method. The net realizable value of inventory, which is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation, is estimated based on assumptions of future demand and related pricing.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Provisions for depreciation have been computed principally by the straight-line method based on the estimated useful lives of the depreciable assets which are generally as follows:

Category	Useful Life
Buildings	30 years
Capitalized software	3 – 5 years
Leased assets and leasehold improvements	Amortized over the lesser of the economic life of the asset or the term of the lease
Machinery, equipment and other	3 – 10 years

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

Capitalized Software

Costs associated with software developed or obtained for internal-use are capitalized during the application development stage of the project and are presented in Property, plant and equipment, net on the Consolidated Balance Sheets. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred.

Other Assets

Other assets principally include contract assets, deferred tax assets and other investments.

Fair Value

Accounting standards define fair value based on an exit price model, establish a framework for measuring fair value for assets and liabilities required to be carried at fair value and provide for certain disclosures related to the valuation methods used within the valuation hierarchy as established within the accounting standards. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, or other observable characteristics for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from, or corroborated by, observable market data through correlation.

- Level 3 inputs are unobservable inputs based on our assumptions.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Financial instruments consist primarily of trade accounts receivable, financing receivables, obligations under trade accounts payable and short and long-term debt. Due to their short-term nature, the carrying values for trade accounts receivable, trade accounts payable and short-term debt approximate fair value.

Certain assets and liabilities are carried on the accompanying Consolidated Balance Sheets at cost and are not remeasured to fair value on a recurring basis. These assets include finite-lived intangible assets, which are tested when a triggering event occurs, and goodwill and identifiable indefinite-lived intangible assets, which are tested for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that the asset may not be recoverable.

As of December 31, 2024, assets carried on the balance sheet and not remeasured to fair value on a recurring basis were \$1.7 billion of goodwill and \$486.5 million of identifiable intangible assets, net.

Refer to Note 10. Financing for the fair value of the Company's long-term debt.

Goodwill and Other Intangible Assets

Goodwill arises from the purchase price for acquired businesses exceeding the fair value of tangible and intangible assets acquired less assumed liabilities. In accordance with accounting standards related to business combinations, neither goodwill nor indefinite-lived intangible assets are amortized; however, definite-lived identifiable intangible assets, primarily customer relationships, acquired technology and trade names, are amortized over their estimated useful lives. Refer to Note 7. Goodwill and Other Intangible Assets for additional information regarding our goodwill and other intangible assets.

The goodwill of each of the Company's reporting units is assessed for impairment at least annually as of the first day of the fourth quarter or more frequently if events and circumstances indicate that goodwill may not be recoverable. When evaluating for impairment, the Company may first perform a qualitative assessment to determine whether it is more likely than not that a reporting unit or indefinite-lived intangible asset is impaired. The Company's decision to perform a qualitative impairment assessment for an individual reporting unit or indefinite-lived intangible assets in a given year is influenced by a number of factors, inclusive of the size of the reporting unit's goodwill, the significance of the excess of the reporting unit's estimated fair value over carrying value at the last quantitative assessment date, the amount of time in between quantitative fair value assessments and the date of acquisition.

As part of the Company's 2024 annual impairment analysis, the Company elected to apply the qualitative goodwill impairment assessment guidance in ASC 350-20, *Goodwill*, for all three of the Company's reporting units as of the assessment date, or approximately \$1.7 billion of goodwill as of the assessment date. Factors considered in the qualitative assessment include general macroeconomic conditions, industry and market conditions, cost factors, overall financial performance of the reporting units, events or changes affecting the composition or carrying value of the net assets of the reporting units, information related to market multiples of peer companies and other relevant entity specific events. Based on the assessment, the Company determined on the basis of the qualitative and quantitative factors that the fair values of the reporting units were more likely than not greater than their respective carrying values, and therefore, a quantitative test was not required.

If the Company does not perform a qualitative assessment, or if it determines that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset exceeds its carrying amount, impairment is determined by using a quantitative approach. The Company identifies potential impairment by comparing the fair value of each reporting unit, determined using various valuation techniques, with the primary technique being a discounted cash flow analysis, to its carrying value. If the carrying amount of the reporting unit exceeds the fair value, an impairment loss is recognized.

Identified intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires a comparison of the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are tested at least annually for impairment. In these analyses, management considers general macroeconomic conditions, industry and market conditions, cost factors, financial performance and other entity and asset specific events and may require management to make judgments and estimates about future revenues, expenses, market conditions and discount rates related to these assets.

No goodwill or other intangible assets impairment charges were recorded during the years ended December 31, 2024, 2023 and 2022.

Insurance Liabilities

The Company is self-insured for certain losses related to medical claims. The Company has stop-loss coverage to limit the exposure arising from medical claims. In addition, the Company has deductible-based insurance policies for certain other losses, including general liability, workers' compensation and automobile.

Debt Issuance Costs

Debt issuance costs relating to the Company's term loan and senior note facilities are recorded as a direct reduction of the carrying amount of the related debt. These costs are deferred and amortized to interest expense using the effective interest method, over the respective terms of the related debt.

Debt issuance costs relating to the Company's revolving credit facilities are recorded in Other assets on the Consolidated Balance Sheets. These costs are deferred and amortized to interest expense using the straight-line method over the respective terms of the related debt.

Revenue Recognition

Revenue is recognized when control of promised products or services is transferred to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services.

Product sales include revenues from the sale of products and equipment, which includes software-as-a-service ("SaaS") product offerings, equipment rentals, fees for referrals to third-party payment processors, and interest income related to our financing receivables.

Service sales include revenues from extended warranties, post-contract customer support ("PCS"), maintenance contracts or services, and services related to previously sold products.

Revenues associated with the Company's interest income related to financing receivables are recognized to approximate a constant effective yield over the contract term.

For revenue related to a product or service to qualify for recognition, the Company must have an enforceable contract with a customer that defines the goods or services to be transferred and the payment terms related to those goods or services. Further, collection of substantially all consideration for the goods or services transferred must be probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a combination of financial and qualitative factors, including the customers' financial condition, collateral, debt-servicing ability, past payment experience and credit bureau information.

Customer allowances and rebates, consisting primarily of volume discounts and other short-term incentive programs, are considered in determining the transaction price for the contract; these allowances and rebates are reflected as a reduction in the contract transaction price. Significant judgment is exercised in determining product returns, customer allowances and rebates, which are estimated based on historical experience and known trends.

Most of the Company's sales contracts contain standard terms and conditions. The Company evaluates contracts to identify distinct goods and services promised in the contract, the performance obligations. Sometimes this evaluation involves judgment to determine whether the goods or services are highly dependent on or highly interrelated with one another, or whether such goods or services significantly modify or customize one another. Certain customer arrangements, including our SaaS product offerings, include multiple performance obligations, typically hardware, installation, training, consulting, services and/or PCS. These elements are often delivered within the same reporting period, however, the Company's SaaS, PCS and other subscription-based and extended contracts may extend beyond one year. The Company allocates the contract transaction price to each performance obligation using the observable price that the good or service sells for separately in similar circumstances and to similar customers. Allocating the transaction price to each performance obligation may require judgment.

The Company's principal terms of sale are FOB Shipping Point, or equivalent, and, as such, the Company primarily records revenue upon shipment as the Company has transferred control to the customer at that point and our performance obligations are satisfied. The Company evaluates contracts with delivery terms other than FOB Shipping Point and recognizes revenue when the Company has transferred control and satisfied the performance obligations. If any significant obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation, other services noted above or acceptance by the customer), revenue recognition is deferred until such obligations have been fulfilled. Further, revenue related to separately priced extended warranty and product maintenance agreements is deferred when appropriate and recognized as revenue over the term of the agreement.

Shipping and Handling

Shipping and handling costs are included as a component of Cost of sales in the Consolidated Statements of Earnings and Comprehensive Income. Revenue derived from shipping and handling costs billed to customers is included in Sales in the Consolidated Statements of Earnings and Comprehensive Income.

Advertising

Advertising costs are expensed as incurred and are included as a component of Selling, general and administrative expenses in the Consolidated Statements of Earnings and Comprehensive Income.

Research and Development

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

Restructuring

The Company periodically initiates restructuring activities to appropriately position its cost base relative to prevailing economic conditions and associated customer demand as well as in connection with certain acquisitions. Costs associated with restructuring actions can include termination benefits and related charges in addition to facility closure, contract termination and other related activities, and are recorded when the associated liability is incurred. Refer to Note 16. Restructuring and Other Related Charges for additional information.

Foreign Currency Translation and Transactions

Exchange rate adjustments resulting from foreign currency transactions are recognized in Net earnings, whereas effects resulting from the translation of financial statements are reflected as a component of Accumulated other comprehensive income within equity. Assets and liabilities of subsidiaries operating outside the United States with a functional currency other than U.S. dollars are translated into U.S. dollars using year-end exchange rates and income statement accounts are translated at weighted average exchange rates. Net foreign currency transaction gains or losses were not material in any of the periods presented.

Accounting for Stock-Based Compensation

The Company accounts for stock-based compensation by measuring the cost of employee services received in exchange for all equity awards granted, including stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"), based on the fair value of the award as of the grant date.

The fair value of each stock option issued was estimated on the date of the grant using the Black-Scholes option pricing model which incorporates the following assumptions to value stock-based awards:

Risk-free interest rate: The risk-free rate of interest for periods within the contractual life of the option is based on a zero-coupon U.S. government instrument whose maturity period equals or approximates the option's expected term.

Volatility: Since the Company does not have sufficient history to estimate the expected volatility of its common share price, expected volatility is based on a blended approach that uses the volatility of the Company's common stock for periods in which the Company has information and the volatility for selected reasonably similar publicly traded companies for periods in which the historical information is not available.

Dividend yield: The expected dividend yield is calculated by dividing our annualized dividend, based on the Company's history of declared dividends, by the Company's stock price on the grant date.

Expected years until exercise: The expected term of stock options granted is based on an estimate of when options will be exercised in the future. As the Company does not have sufficient history to estimate its expected term, the Company applied the simplified method of estimating the expected term of the options, as described in the SEC's Staff Accounting Bulletins 107 and 110. The expected term, calculated under the simplified method, is applied to all stock options which have similar contractual terms. Using this method, the expected term is determined using the average of the vesting period and the contractual life of the stock options granted.

The fair value of RSUs and PSUs with performance-based vesting conditions is calculated using the closing price of the Company's common stock on the date of grant less a discount due to the lack of participation in the Company's dividend by RSU holders. The fair value of PSUs with market-based vesting conditions is calculated using a Monte Carlo pricing model on the date of grant.

Stock-based compensation expense is recognized net of an estimated forfeiture rate on a straight-line basis over the requisite service period of the award, with the expense for PSUs with performance-based vesting conditions adjusted based on the likelihood of future achievement of the performance metrics.

Income Taxes

In accordance with GAAP, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted rates expected to be in effect during the year in which the differences reverse. Deferred tax assets generally represent items that can be used as a tax deduction or credit in the Company's tax return in future years for which the tax benefit has already been reflected on the Consolidated Statements of Earnings and Comprehensive Income. Deferred tax liabilities generally represent items that have already been taken as a deduction on our tax return but have not yet been recognized as an expense in the Consolidated Statements of Earnings and Comprehensive Income. The effect on deferred tax assets and liabilities due to a change in tax rates is recognized in income tax expense in the period that includes the enactment date.

Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not, a likelihood of more than 50 percent, that some portion or all of the deferred tax assets will not be realized. The Company evaluates the realizability of deferred tax assets for each of the jurisdictions in which it operates. If there is cumulative pretax income in a particular jurisdiction in the three-year period including the current and prior two years, the Company generally concludes that the deferred tax assets will more likely than not be realizable and no valuation allowance is recognized, unless known or planned operating developments would lead management to conclude otherwise. However, if there are cumulative pretax losses in a particular jurisdiction in the three-year period including the current and prior two years, the Company then considers a series of factors in the determination of whether the deferred tax assets can be realized. These factors include historical operating results, known or planned operating developments, the period of time over which certain temporary differences will reverse, consideration of the utilization of certain deferred tax liabilities, tax law carryback capability in the particular country, and prudent and feasible tax planning strategies. After evaluation of these factors, if the deferred tax assets are expected to be realized within the tax carryforward period allowed for by that specific country, the Company would conclude that no valuation allowance would be required. To the extent that the deferred tax assets exceed the amount that is expected to be realized within the tax carryforward period for a particular jurisdiction, a valuation allowance is established.

Tax benefits from uncertain tax positions are recognized only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the Consolidated Financial Statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Judgment is required in evaluating tax positions and determining income tax provisions. The Company reevaluates the technical merits of its tax positions and may recognize an uncertain tax benefit in certain circumstances, including when: (i) a tax audit is completed; (ii) applicable tax laws change, including a tax case ruling or legislative guidance; or (iii) the applicable statute of limitations expires. Potential accrued interest and penalties associated with unrecognized tax positions are recognized as a component of Provision for income taxes in the Consolidated Statements of Earnings and Comprehensive Income. Refer to Note 14. Income Taxes for additional information.

Pension and Other Postretirement Benefit Plans

Pension assets and obligations are measured to determine the funded status as of the end of the Company's fiscal year. An asset is recognized for an overfunded status or a liability is recognized for an underfunded status. Changes in the funded status of the pension plans are recognized in the year in which the changes occur and are reported in other comprehensive income. Refer to Note 11. Employee Benefit Plans for additional information.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Adopted Accounting Standards

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), which enhances segment disclosures primarily by requiring disclosure of significant segment expenses. ASU 2023-07 is effective for the Company’s annual financial statements for the year ended December 31, 2024, and for its interim financial statements beginning with the first fiscal quarter of the year ended December 31, 2025. Retrospective application is required. The Company has expanded its segment disclosures in accordance with ASU 2023-07. Refer to Note 15. Segment Information.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), which requires consistent categories and greater disaggregation of information in the rate reconciliation and disaggregation of income taxes paid by jurisdiction. ASU 2023-09 is effective for the Company’s annual financial statements for the year ended December 31, 2025, with early adoption permitted. Prospective application is required, with retrospective application permitted. The Company is currently assessing the impact ASU 2023-09 will have on its consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”), which requires disclosure of certain expense categories that are included within relevant income statement expense captions. ASU 2024-03 is effective for the Company’s annual financial statements for the year ended December 31, 2027, and for its interim financial statements beginning with the first fiscal quarter of the year ended December 31, 2028, with early adoption permitted. ASU 2024-03 may be applied either prospectively or retrospectively. The Company is currently assessing the impact ASU 2024-03 will have on its consolidated financial statements.

NOTE 3. ACQUISITIONS

The Company has completed a number of acquisitions that have been accounted for as purchases and resulted in the recognition of goodwill in its financial statements. This goodwill arises because the purchase price for each acquired business reflects a number of factors including the complementary fit, the acceleration of its strategy, the synergies the business brings to existing operations, the future earnings and cash flow potential of the business, the potential to add other strategically complementary acquisitions to the acquired business, the scarce or unique nature of the business in its markets, the competition to acquire the business, the valuation of similar businesses in the marketplace (as reflected in a multiple of revenues, earnings or cash flows) and the avoidance of the time and costs which would be required (and the associated risks that would be encountered) to enhance the Company’s existing offerings to key target markets and develop new and profitable businesses.

A preliminary purchase price allocation is made at the date of acquisition based on an initial understanding of the fair value of the acquired assets and assumed liabilities. As additional information about these assets and liabilities is obtained, the estimates of fair value are refined and the preliminary purchase price allocation is adjusted during the applicable measurement period for items identified as of the acquisition date.

To determine the fair value of the acquired intangible assets and certain previously held equity interests related to its acquisitions, management utilized significant unobservable inputs (Level 3 in the fair value hierarchy) and was required to make judgements and estimates about future results such as revenues, margin, net working capital and other valuation assumptions such as useful lives, royalty rates, technology obsolescence, attrition rates and discount rates. Intangible assets consisting of technology and trade names were valued using a relief from royalty method or using a multi-period excess earnings method while customer relationships were valued using a multi-period excess earnings method. These assumptions are forward-looking and could be affected by future economic and market conditions.

Acquisition-related costs are included in Selling, general and administrative expenses in the Consolidated Statements of Earnings and Comprehensive Income.

The Company did not make any acquisitions during the years ended December 31, 2024 and 2023. The following describes the Company’s acquisition activity during the year ended December 31, 2022.

2022 Acquisitions

Driivz

On February 7, 2022, the Company acquired the remaining 81% of the outstanding shares of Driivz Ltd. (“Driivz”) for \$152.5 million, net of cash received. Driivz, which is based in Israel, is a cloud-based subscription software platform supporting electric vehicle charging infrastructure (“EVCI”) providers with operations management, energy optimization, billing and roaming capabilities, as well as driver self-service apps. The acquisition of Driivz accelerates the Company’s portfolio diversification and e-mobility strategies and positions the Company to capitalize on the global EVCI market opportunities.

The acquisition of Driivz was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The goodwill is attributable to the workforce of the acquired business, future market opportunities and the expected synergies with the Company's existing operations. The majority of the goodwill derived from this acquisition is not deductible for tax purposes.

The Company's final purchase price allocation is as follows:

(\$ in millions)	Final Purchase Price Allocation	Weighted Average Amortization Period
Accounts receivable	\$ 1.0	
Technology	56.3	8.0
Customer relationships	28.1	13.0
Trade names	9.2	16.0
Goodwill	125.7	
Other assets	2.9	
Accrued expenses and other current liabilities	(12.5)	
Other long-term liabilities	(15.2)	
Purchase price, net of cash received	<u>\$ 195.5</u>	

The carrying value of the Company's approximately 19% interest in Driivz prior to the acquisition was \$10.3 million, which historically was carried at cost. In connection with the acquisition, this investment was remeasured to a fair value of \$43.0 million resulting in the recognition of an aggregate noncash gain of \$32.7 million during the year ended December 31, 2022, which was included in Gain on previously held equity interests from combination of business in the Consolidated Statements of Earnings and Comprehensive Income.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to Driivz as it did not have a material effect on the Company's results. Driivz is presented in the Company's Mobility Technologies segment.

Invenco

On August 31, 2022, the Company acquired all of the outstanding equity interests of Invenco Group Ltd. ("Invenco") for \$83.1 million, net of cash received. The purchase price includes contingent consideration initially measured at \$6.1 million. Invenco, which is based in New Zealand, is a global provider of self-service payment and microservice solutions with a range of products including outdoor payment terminals, electronic payment servers, payment switches and cloud services. The acquisition of Invenco further advances the Company's portfolio diversification and accelerates its digital strategy.

The acquisition of Invenco was accounted for as a business combination and, accordingly, the assets acquired and the liabilities assumed have been recorded at their respective fair values as of the acquisition date. The final purchase price allocation was as follows: (i) \$35.7 million to definite-lived intangible assets consisting of developed technology, customer relationships and a trade name with a weighted average amortization period of approximately five years, (ii) \$33.0 million to goodwill and (iii) \$14.4 million to other net assets. The goodwill is attributable to the workforce of the acquired business, future market opportunities and the expected synergies with the Company's existing operations. The majority of the goodwill derived from this acquisition is not deductible for tax purposes.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to Invenco as it did not have a material effect on the Company's results. Invenco is presented in the Company's Mobility Technologies segment.

Other Acquisitions

In addition to the acquisitions noted above, during the year ended December 31, 2022, the Company acquired all of the outstanding equity interests in two other businesses for \$43.4 million, net of cash received. The purchase price includes contingent consideration initially measured at \$5.5 million. Both of these acquisitions align with the Company's portfolio diversification strategy and enable opportunities in new end markets.

The Company has not disclosed post-acquisition or pro forma revenue and earnings attributable to these acquisitions as they did not have a material effect on the Company's results, individually or in aggregate. These acquisitions are presented in the Company's Mobility Technologies segment.

NOTE 4. FINANCING AND TRADE RECEIVABLES

Financing receivables are primarily comprised of commercial purchase security agreements originated between the Company's franchisees and technicians or independent shop owners that are assumed by the Company ("PSAs") and commercial loans to the Company's franchisees ("Franchisee Notes") in the Repair Solutions segment. The Company also has financing receivables in its Mobility Technologies and Environmental & Fueling Solutions segments which totaled \$14.4 million as of December 31, 2024.

The following disclosures relate to the financing receivables in the Repair Solutions segment.

Repair Solutions Financing Receivables

PSAs are installment sales contracts originated between the franchisee and technicians or independent shop owners which enable these customers to purchase tools and equipment on an extended-term payment plan. PSA payment terms are generally up to five years. Upon origination, the Company assumes the PSA by crediting the franchisee's trade accounts receivable. As a result, originations of PSAs are non-cash transactions. The Company records PSAs at amortized cost.

Franchisee Notes have payment terms of up to 10 years and include financing to fund business startup costs including: (i) installment loans to franchisees used generally to finance inventory, equipment, and franchise fees; and (ii) lines of credit to finance working capital, including additional purchases of inventory.

Financing receivables are generally secured by the underlying tools and equipment financed.

Revenues associated with the Company's interest income related to financing receivables are recognized to approximate a constant effective yield over the contract term. Accrued interest is included in Accounts receivable, less allowance for credit losses on the Consolidated Balance Sheets and was insignificant as of December 31, 2024 and 2023.

Product sales to franchisees and the related financing income is included in Cash flows from operating activities in the accompanying Consolidated Statements of Cash Flows.

The components of financing receivables with payments due in less than twelve months that are presented in Accounts receivable, less allowance for credit losses on the Consolidated Balance Sheets were as follows:

(\$ in millions)	December 31, 2024	December 31, 2023
Gross current financing receivables:		
PSAs	\$ 98.6	\$ 100.7
Franchisee Notes	25.4	23.1
Current financing receivables, gross	\$ 124.0	\$ 123.8
Allowance for credit losses:		
PSAs	\$ 11.0	\$ 12.8
Franchisee Notes	8.0	7.3
Total allowance for credit losses	\$ 19.0	\$ 20.1
Net current financing receivables:		
PSAs, net	\$ 87.6	\$ 87.9
Franchisee Notes, net	17.4	15.8
Total current financing receivables, net	\$ 105.0	\$ 103.7

The components of Long-term financing receivables, less allowance for credit losses, which consists of financing receivables with payments due beyond one year, were as follows:

(\$ in millions)	December 31, 2024	December 31, 2023
Gross long-term financing receivables:		
PSAs	\$ 253.6	\$ 245.7
Franchisee Notes	62.8	64.2
Long-term financing receivables, gross	\$ 316.4	\$ 309.9
Allowance for credit losses:		
PSAs	\$ 27.2	\$ 28.7
Franchisee Notes	5.0	5.0
Total allowance for credit losses	\$ 32.2	\$ 33.7
Net long-term financing receivables:		
PSAs, net	\$ 226.4	\$ 217.0
Franchisee Notes, net	57.8	59.2
Total long-term financing receivables, net	\$ 284.2	\$ 276.2

Net deferred origination costs were insignificant as of December 31, 2024 and 2023. As of December 31, 2024 and 2023, the net unamortized discount on our financing receivables was \$18.5 million and \$17.6 million, respectively.

It is the Company's general practice to not engage in contract or loan modifications of existing arrangements for troubled debt restructurings. In limited instances, the Company may modify certain impaired receivables with customers in bankruptcy or other legal proceedings, or in the event of significant natural disasters. Restructured financing receivables as of December 31, 2024 and 2023 were insignificant.

Credit score and distributor tenure are the primary indicators of credit quality for the Company's financing receivables. Depending on the contract, payments for financing receivables are due on a monthly or weekly basis. Weekly payments are converted into a monthly equivalent for purposes of calculating delinquency. Delinquencies are assessed at the end of each month following the monthly equivalent due date and are considered delinquent once past due.

The amortized cost basis and current period gross write-offs of PSAs and Franchisee Notes by origination year as of and for the year ended December 31, 2024 is as follows:

(\$ in millions)	2024	2023	2022	2021	2020	Prior	Total
PSAs							
Credit Score:							
Less than 400	\$ 9.8	\$ 7.2	\$ 3.0	\$ 1.4	\$ 0.4	\$ —	\$ 21.8
400-599	28.6	14.3	6.4	2.7	0.9	0.2	53.1
600-799	57.5	30.3	13.3	6.6	2.0	0.5	110.2
800+	92.1	45.2	19.9	7.6	2.1	0.2	167.1
Total PSAs	<u>\$ 188.0</u>	<u>\$ 97.0</u>	<u>\$ 42.6</u>	<u>\$ 18.3</u>	<u>\$ 5.4</u>	<u>\$ 0.9</u>	<u>\$ 352.2</u>
Franchisee Notes							
Active distributors	\$ 27.2	\$ 16.6	\$ 10.1	\$ 8.3	\$ 3.7	\$ 5.3	\$ 71.2
Separated distributors	0.3	2.2	4.2	3.2	1.4	5.7	17.0
Total Franchisee Notes	<u>\$ 27.5</u>	<u>\$ 18.8</u>	<u>\$ 14.3</u>	<u>\$ 11.5</u>	<u>\$ 5.1</u>	<u>\$ 11.0</u>	<u>\$ 88.2</u>
Current Period Gross Write-offs							
PSAs	\$ 2.9	\$ 18.6	\$ 11.5	\$ 5.9	\$ 2.7	\$ 1.3	\$ 42.9
Franchisee Notes	—	0.2	0.5	2.2	1.6	2.7	7.2
Total current period gross write-offs	<u>\$ 2.9</u>	<u>\$ 18.8</u>	<u>\$ 12.0</u>	<u>\$ 8.1</u>	<u>\$ 4.3</u>	<u>\$ 4.0</u>	<u>\$ 50.1</u>

Past Due

PSAs are considered past due when a contractual payment has not been made. If a customer is making payments on its account, interest will continue to accrue. The table below sets forth the aging of the Company's PSA balances as of:

(\$ in millions)	30-59 days past due	60-90 days past due	Greater than 90 days past due	Total past due	Total not considered past due	Total	Greater than 90 days past due and accruing interest
December 31, 2024	\$ 3.7	\$ 1.9	\$ 7.9	\$ 13.5	\$ 338.7	\$ 352.2	\$ 7.9
December 31, 2023	3.7	1.9	7.2	12.8	333.6	346.4	7.2

Franchisee Notes are considered past due when payments have not been made for 21 days after the due date. Past due Franchisee Notes (where the franchisee had not yet separated) were insignificant as of December 31, 2024 and 2023.

Uncollectable Status

PSAs are deemed uncollectable and written off when they are both contractually delinquent and no payment has been received for 180 days.

Franchisee Notes are deemed uncollectable and written off after a distributor separates and no payments have been received for one year.

The Company stops accruing interest and other fees associated with financing receivables when (i) a customer is placed in uncollectable status and repossession efforts have begun; (ii) upon receipt of notification of bankruptcy; (iii) upon notification of the death of a customer; or (iv) other instances in which management concludes collectability is not reasonably assured.

Allowance for Credit Losses Related to Financing Receivables

The Company calculates the allowance for credit losses considering several factors, including the aging of its financing receivables, historical credit loss and portfolio delinquency experience and current economic conditions. The Company also evaluates financing receivables with identified exposures, such as customer defaults, bankruptcy or other events that make it unlikely it will recover the amounts owed to it. In calculating such reserves, the Company evaluates expected cash flows, including estimated proceeds from disposition of collateral, and calculates an estimate of the potential loss and the probability of loss. When a loss is considered probable on an individual financing receivable, a specific reserve is recorded.

The following is a rollforward of the PSAs and Franchisee Notes components of the Company's allowance for credit losses related to financing receivables as of December 31:

(\$ in millions)	2024			2023		
	PSAs	Franchisee Notes	Total	PSAs	Franchisee Notes	Total
Allowance for credit losses, beginning of year	\$ 41.5	\$ 12.3	\$ 53.8	\$ 45.5	\$ 11.8	\$ 57.3
Provision for credit losses	37.8	7.8	45.6	31.1	4.4	35.5
Write-offs	(42.9)	(7.2)	(50.1)	(36.9)	(4.2)	(41.1)
Recoveries of amounts previously charged off	1.8	0.1	1.9	1.8	0.3	2.1
Allowance for credit losses, end of year	<u>\$ 38.2</u>	<u>\$ 13.0</u>	<u>\$ 51.2</u>	<u>\$ 41.5</u>	<u>\$ 12.3</u>	<u>\$ 53.8</u>

Allowance for Credit Losses Related to Trade Accounts Receivables

The following is a rollforward of the allowance for credit losses related to the Company's trade accounts receivables, excluding financing receivables, and the Company's trade accounts receivable cost basis as of December 31:

(\$ in millions)	2024	2023
Cost basis of trade accounts receivable	\$ 430.1	\$ 409.4
Allowance for credit losses balance, beginning of year	15.6	14.6
Provision for credit losses	5.6	7.0
Write-offs	(4.5)	(6.0)
Foreign currency and other	(0.8)	—
Allowance for credit losses balance, end of year	<u>15.9</u>	<u>15.6</u>
Net trade accounts receivable balance	<u>\$ 414.2</u>	<u>\$ 393.8</u>

NOTE 5. INVENTORIES

The classes of inventory as of December 31 are summarized as follows:

(\$ in millions)	2024	2023
Finished goods	\$ 144.8	\$ 132.8
Work in process	20.8	20.1
Raw materials	172.2	143.7
Total	<u>\$ 337.8</u>	<u>\$ 296.6</u>

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

The classes of property, plant and equipment as of December 31 are summarized as follows:

(\$ in millions)	2024	2023
Land and improvements	\$ 4.3	\$ 4.9
Buildings and leasehold improvements	68.0	68.0
Capitalized software	98.1	73.6
Machinery, equipment and other	217.3	209.3
Gross property, plant and equipment	<u>387.7</u>	<u>355.8</u>
Less: accumulated depreciation	(267.5)	(253.5)
Property, plant and equipment, net	<u>\$ 120.2</u>	<u>\$ 102.3</u>

No interest was capitalized related to capitalized expenditures during the years ended December 31, 2024, 2023 and 2022.

Depreciation expense related to property, plant and equipment was \$24.4 million, \$23.2 million and \$23.7 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 7. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill by reportable segment are as follows:

(\$ in millions)	One Reportable Segment	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Total
Balance, December 31, 2022	\$ 1,738.7	\$ —	\$ —	\$ —	\$ 1,738.7
Reallocation to new segments ^(a)	(1,738.7)	1,201.5	15.2	522.0	—
Measurement period adjustments for prior year acquisitions	—	1.0	—	—	1.0
Foreign currency translation and other	—	1.5	—	1.2	2.7
Balance, December 31, 2023	—	1,204.0	15.2	523.2	1,742.4
Foreign currency translation and other	—	(7.4)	—	(9.0)	(16.4)
Balance, December 31, 2024	\$ —	\$ 1,196.6	\$ 15.2	\$ 514.2	\$ 1,726.0

^(a) During the year ended December 31, 2023, the Company realigned its internal organization resulting in changes to the Company's reportable segments.

Accumulated impairment charges, within the Mobility Technologies reportable segment, were \$85.3 million as of December 31, 2024 and 2023.

Intangible Assets

Finite-lived intangible assets are generally amortized on a straight-line basis over the shorter of their legal or estimated useful lives. The following summarizes the gross carrying value and accumulated amortization for each major category of intangible asset as of December 31:

(\$ in millions)	2024			2023		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Finite-lived intangibles:						
Customer relationships	\$ 473.0	\$ (253.0)	\$ 220.0	\$ 477.3	\$ (217.5)	\$ 259.8
Patents and technology	295.6	(156.8)	138.8	299.6	(123.7)	175.9
Trademarks and trade names	57.0	(20.0)	37.0	57.4	(15.6)	41.8
Total finite-lived intangibles	825.6	(429.8)	395.8	834.3	(356.8)	477.5
Indefinite-lived intangibles:						
Trademarks and trade names	90.7	—	90.7	90.8	—	90.8
Total intangibles	\$ 916.3	\$ (429.8)	\$ 486.5	\$ 925.1	\$ (356.8)	\$ 568.3

Based on the intangible assets recorded as of December 31, 2024, amortization expense is estimated to be as follows for the next five years and thereafter:

(\$ in millions)	
2025	\$ 75.0
2026	61.4
2027	54.5
2028	45.5
2029	45.3
Thereafter	114.1
Total	\$ 395.8

NOTE 8. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as of December 31 were as follows:

(\$ in millions)	2024		2023	
	Current	Long-term	Current	Long-term
Compensation, pension and post-retirement benefits	\$ 102.6	\$ 12.2	\$ 109.5	\$ 13.1
Claims, including self-insurance and litigation	26.7	86.7	24.5	80.1
Income and other taxes	60.6	20.0	35.4	32.9
Deferred revenue	139.2	58.9	132.4	53.6
Sales and product allowances	37.0	—	30.9	—
Warranty	27.4	11.6	30.5	12.5
Other	69.0	23.4	72.6	24.8
Total	<u>\$ 462.5</u>	<u>\$ 212.8</u>	<u>\$ 435.8</u>	<u>\$ 217.0</u>

Contingent Consideration

The Company records contingent consideration liabilities related to potential payments to previous owners of acquired companies contingent on the achievement of certain revenue targets. The Company records a liability for contingent consideration in the purchase price for acquisitions at fair value on the acquisition date, and remeasures the liability at each reporting date, based on the Company's estimate of the expected probability of achievement of the contingency targets. This estimate is based on significant unobservable inputs and represents a Level 3 measurement within the fair value hierarchy. Contingent consideration liabilities, which are presented in Other in the table above, were \$0.5 million and \$9.3 million as of December 31, 2024 and 2023, respectively.

Warranty Costs

Estimated warranty costs are generally accrued at the time of sale as a component of Cost of sales on the Consolidated Statements of Earnings and Comprehensive Income. In general, manufactured products are warrantied against defects in material and workmanship when properly used for their intended purpose, installed correctly and appropriately maintained. Warranty period terms depend on the nature of the product and range from 90 days up to the life of the product. The amount of the accrued warranty liability is determined based on historical information such as past experience, product failure rates or number of units repaired, estimated cost of material and labor, and in certain instances, estimated property damage. The accrued warranty liability is reviewed on a quarterly basis and may be adjusted as additional information regarding expected warranty costs becomes known.

The following is a rollforward of the accrued warranty liability:

(\$ in millions)	2024	2023
Accrual for warranties, beginning of year	\$ 43.0	\$ 43.0
Accruals for warranties issued during the year	37.3	33.8
Settlements made	(40.9)	(33.9)
Effect of foreign currency translation	(0.4)	0.1
Accrual for warranties, end of year	<u>\$ 39.0</u>	<u>\$ 43.0</u>

NOTE 9. LEASES

The Company determines if an arrangement is or contains a lease at inception. The Company has operating leases for office space, warehouses, distribution centers, research and development facilities, manufacturing locations, and certain equipment, primarily automobiles. For lease agreements with both lease and non-lease components, the Company has elected the practical expedient for all underlying asset classes to account for the lease and related non-lease component(s) as a single lease component. Many leases include one option to renew, some of which include options to extend the lease for up to 15 years, and some of which include options to terminate the leases within one year. Options to renew are included in the measurement of right-of-use assets and lease liabilities if it is determined they are reasonably certain to be exercised. The Company primarily uses its incremental borrowing rate as the discount rate for its leases, as the Company is generally unable to determine the interest rate implicit in the lease. Finance leases were immaterial for the years ended December 31, 2024, 2023 and 2022, respectively.

The Consolidated Financial Statements include the following amounts related to operating leases for the years ended December 31:

(\$ in millions)	2024	2023	2022
Consolidated Statements of Earnings and Comprehensive Income			
Operating lease cost	\$ 25.3	\$ 23.9	\$ 22.6
Consolidated Statements of Cash Flows			
Cash paid for amounts included in the measurement of operating lease liabilities	24.0	23.6	20.3
Right-of-use assets obtained in exchange for operating lease obligations	15.5	16.4	13.3

Short-term and variable lease cost and sublease income were immaterial for the years ended December 31, 2024, 2023 and 2022, respectively.

The weighted average remaining lease term and weighted average discount rate of our operating leases were as follows as of December 31:

	2024	2023
Weighted average remaining lease term	4.0 years	4.7 years
Weighted average discount rate	5.3 %	5.0 %

The following table presents the maturity of the Company's operating lease liabilities as of December 31, 2024:

(\$ in millions)	
2025	\$ 17.2
2026	15.4
2027	12.6
2028	7.5
2029	2.6
Thereafter	4.1
Total lease payments	59.4
Less: imputed interest	(6.5)
Total lease liabilities	\$ 52.9

As of December 31, 2024, the Company had no material leases that had not yet commenced.

NOTE 10. FINANCING

The Company had the following debt outstanding as of December 31:

(\$ in millions)	2024	2023
Short-term borrowings:		
Short-term borrowings and bank overdrafts	\$ 2.3	\$ 6.6
Long-term debt:		
Three-Year Term Loans due 2024	\$ —	\$ 100.0
Three-Year Term Loans due 2025 ^(a)	550.0	600.0
1.800% senior unsecured notes due 2026	500.0	500.0
2.400% senior unsecured notes due 2028	500.0	500.0
2.950% senior unsecured notes due 2031	600.0	600.0
Revolving Credit Facility due 2026	—	—
Total long-term debt	2,150.0	2,300.0
Less: current portion of long-term debt ^(a)	(50.0)	(100.0)
Less: discounts and debt issuance costs	(8.0)	(11.0)
Total long-term debt, net	<u>\$ 2,092.0</u>	<u>\$ 2,189.0</u>

^(a) During February 2025, the Company repaid \$50.0 million of the Three-Year Term Loans due 2025 and executed an amendment to extend the maturity date to February 2028. As of December 31, 2024, the Company has classified \$50.0 million and \$500.0 million of the Three-Year Terms Loans due 2025 as a current liability and long-term liability, respectively, on the Consolidated Balance Sheets. Refer to Note 21. Subsequent Events for additional information.

Debt issuance costs that have been netted against the aggregate principal amounts of the components of debt in the short-term borrowings section above are immaterial. Given the nature of the short-term borrowings, the carrying value approximates fair value as of December 31, 2024.

The Company made interest payments of \$75.6 million, \$94.7 million and \$67.5 million during the years ended December 31, 2024, 2023 and 2022, respectively, related to the Company's long-term debt.

As of December 31, 2024, the contractual maturities of the Company's long-term debt were as follows:

(\$ in millions)	
2025 ^(a)	\$ 50.0
2026	500.0
2027	—
2028 ^(a)	1,000.0
2029	—
Thereafter	600.0
Total principal payments	<u>\$ 2,150.0</u>

^(a) As discussed above, during February 2025, the Company repaid \$50.0 million and extended the maturity of the remaining \$500.0 million of the Three-Year Term Loans due 2025. The Company has presented \$50.0 million and \$500.0 million of the Three-Year Terms Loans due 2025 in 2025 and 2028, respectively.

Credit Facilities

A&R Credit Agreement

On April 28, 2021, the Company executed an amended and restated credit agreement (the "A&R Credit Agreement"), which consists of a \$400.0 million three-year term loan (the "Three-Year Term Loans Due 2024") and a \$750.0 million Revolving Credit Facility. Two of the Company's wholly-owned subsidiaries are Guarantors under the A&R Credit Agreement. The A&R Credit Agreement addresses the discontinuation of LIBOR and its impact on U.S. dollar and multicurrency loans.

The A&R Credit Agreement contains various affirmative and negative covenants, including financial reporting requirements and limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, dividends and other restricted payments, investments (including acquisitions) and transactions with affiliates. Certain affirmative covenants, including certain reporting requirements and requirements to establish cash dominion accounts with the administrative agent, are triggered by failing to maintain availability under the credit facility at or above specified thresholds or by the existence of an event of default under the facility.

The A&R Credit Agreement contains covenants which require a maximum consolidated leverage ratio of 3.75 to 1.0 and a minimum consolidated interest coverage ratio of 3.50 to 1.0.

The A&R Credit Agreement contains events of default customary for facilities of this nature, including, but not limited, to: (i) events of default resulting from the Borrowers' failure or the failure of any credit party to comply with covenants (including the above-referenced financial covenants during periods in which the financial covenants are tested); (ii) the occurrence of a change of control; (iii) the institution of insolvency or similar proceedings against the Borrowers or any credit party; and (iv) the occurrence of a default under any other material indebtedness the Borrowers or any guarantor may have. Upon the occurrence and during the continuation of an event of default, subject to the terms and conditions of the A&R Credit Agreement, the lenders will be able to declare any outstanding principal balance of the Credit Facility, together with accrued and unpaid interest, to be immediately due and payable and exercise other remedies, including remedies against the collateral, as more particularly specified in the A&R Credit Agreement. As of December 31, 2024, the Company was in compliance with its debt covenants under the A&R Credit Agreement.

Three-Year Term Loans Due 2024

The Three-Year Term Loans Due 2024 were to mature on October 28, 2024. The Company was not obligated to make repayments prior to the maturity date but did voluntarily repay the remaining \$100.0 million outstanding as of December 31, 2023 prior to the maturity date.

Revolving Credit Facility

As of December 31, 2024, there were no borrowings outstanding and \$750.0 million of borrowing capacity under the Revolving Credit Facility. The Revolving Credit Facility, which matures on April 28, 2026, bears interest at a variable rate equal to SOFR plus an 11.4 basis points SOFR adjustment, plus a ratings-based margin which was 117.5 basis points as of December 31, 2024. The Revolving Credit Facility requires the Company to pay lenders a commitment fee for unused commitments of 0.125% to 0.325% based on a ratings grid.

Three-Year Term Loans Due 2025

On October 28, 2022 the Company entered into a three-year, \$600.0 million senior unsecured delayed draw term loan (the "Three-Year Term Loans Due 2025") with a syndicate of lenders. The Company's two wholly-owned subsidiaries which are Guarantors under the A&R Credit Agreement are also Guarantors under the Three-Year Term Loans Due 2025. On December 30, 2022, the Company drew the entire \$600.0 million and used the proceeds to pay off other debt obligations.

The Three-Year Term Loans Due 2025, which mature on December 30, 2025, bear interest at a variable rate equal to SOFR plus a 10.0 basis points credit spread adjustment plus a ratings-based margin which was 125.0 basis points as of December 31, 2024. The interest rate was 5.94% per annum as of December 31, 2024. The Company is not obligated to make repayments prior to the maturity date, but did voluntarily repay \$50.0 million during the year ended December 31, 2024. The Company is not permitted to re-borrow once repayment is made.

As of December 31, 2024, there was no material difference between the carrying value and the estimated fair value of the debt outstanding.

Senior Unsecured Notes

On March 10, 2021, the Company completed the private placement of each of the following series of senior unsecured notes (collectively, the "Notes"):

- \$500.0 million aggregate principal amount of senior notes due April 1, 2026 (the "2026 Notes") issued at 99.855% of their principal amount and bearing interest at the rate of 1.800% per year;
- \$500.0 million aggregate principal amount of senior notes due April 1, 2028 (the "2028 Notes") issued at 99.703% of their principal amount and bearing interest at the rate of 2.400% per year; and
- \$600.0 million aggregate principal amount of senior notes due April 1, 2031 (the "2031 Notes") issued at 99.791% of their principal amount and bearing interest at the rate of 2.950% per year.

In connection with the issuance of the Notes, the Company entered into a registration rights agreement, pursuant to which the Company was obligated to use commercially reasonable efforts to file with the U.S. Securities and Exchange Commission, and cause to be declared effective within 365 days, a registration statement with respect to an offer to exchange (the "Registered Exchange Offer") each series of Notes for registered notes with terms that are substantially identical to the Notes of each series. The Registered

Exchange Offer was completed on January 18, 2022. Substantially all of the Notes were tendered and exchanged for the corresponding Registered Notes in the Registered Exchange Offer.

The Registered Notes are fully and unconditionally guaranteed (the “Guarantees”), on a joint and several basis, by Gilbarco Inc. and Matco Tools Corporation, two of Vontier’s wholly-owned subsidiaries (the “Guarantors”). Interest on the Registered Notes is payable semi-annually in arrears on April 1 and October 1 of each year. The Registered Notes and the Guarantees are the Company’s and the Guarantors’ general senior unsecured obligations.

The Company may redeem some or all of each series of the Registered Notes at any time prior to the dates specified in the Registered Notes indenture (the “Call Dates”) at a redemption price equal to the greater of (i) 100% of the principal amount of the Registered Notes of such series to be redeemed, and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such series of the Registered Notes to be redeemed discounted to the date of redemption on a semi-annual basis at the applicable Treasury Rate plus 20 basis points in the case of the 2026 Notes and 2028 Notes and plus 25 basis points in the case of the 2031 Notes, plus the accrued and unpaid interest. Call dates for the 2026 Notes, 2028 Notes and 2031 Notes are March 1, 2026, February 1, 2028 and January 1, 2031, respectively.

If a change of control triggering event occurs, the Company will, in certain circumstances, be required to make an offer to repurchase the Registered Notes at a purchase price equal to 101% of the aggregate principal amount plus accrued and unpaid interest. A change of control triggering event is defined as the occurrence of both a change of control and a rating event, each as defined in the Registered Notes indenture. Except in connection with a change of control triggering event, the Registered Notes do not have any credit rating downgrade triggers that would accelerate the maturity of the Registered Notes.

The Registered Notes contain customary covenants, including limits on the incurrence of certain secured debt and sale-leaseback transactions. None of these covenants are considered restrictive to the Company’s operations and as of December 31, 2024, the Company was in compliance with all of the covenants under the Registered Notes.

The estimated fair value of the Registered Notes was \$1.4 billion as of December 31, 2024. The fair value of the Registered Notes was determined based upon Level 2 inputs including indicative prices based upon observable market data. The difference between the fair value and the carrying amounts of the Registered Notes may be attributable to changes in market interest rates and/or the Company’s credit ratings subsequent to the incurrence of the borrowing.

Short-term Borrowings

As of December 31, 2024, certain of the Company’s businesses were in a cash overdraft position, and such overdrafts are included in Short-term borrowings and current portion of long-term debt on the Consolidated Balance Sheets. Additionally, the Company has other short-term borrowing arrangements with various banks to facilitate short-term cash flow requirements in certain countries also included in Short-term borrowings and current portion of long-term debt on the Consolidated Balance Sheets. Given the nature of the short-term borrowings, the carrying value approximates fair value as of December 31, 2024.

Interest payments associated with the above short-term borrowings were not significant for the years ended December 31, 2024, 2023 and 2022.

NOTE 11. EMPLOYEE BENEFIT PLANS

Defined Benefit Pension Plans

Certain employees participate in noncontributory defined benefit pension plans. In general, the Company’s policy is to fund these plans based on considerations relating to legal requirements, underlying asset returns, the plan’s funded status, the anticipated deductibility of the contribution, local practices, market conditions, interest rates and other factors.

The pension benefit obligations of the Company’s plans were \$13.3 million and \$14.9 million as of December 31, 2024 and 2023, respectively. The fair value of the plan assets was \$7.9 million and \$8.2 million as of December 31, 2024 and 2023, respectively, and include the use of Level 1 and Level 2 inputs in determining the fair value. As of December 31, 2024 and 2023, the underfunded status of the plans was \$5.4 million and \$6.7 million, respectively, and was included in Accrued expenses and other current liabilities and Other long-term liabilities in the Consolidated Balance Sheets. The assumptions used in calculating the benefit obligations for the plans are dependent on the local economic conditions and were measured as of December 31, 2024 and 2023. The net periodic benefit costs were \$0.6 million, \$0.7 million and \$0.7 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Defined Contribution Plans

The Company administers and maintains 401(k) Programs. Contributions are determined based on a percentage of compensation. For the years ended December 31, 2024, 2023 and 2022, compensation expense for participating U.S. employees in the 401(k) Programs was \$49.8 million, \$49.3 million and \$41.0 million, respectively, which is inclusive of expense related to employer contributions of \$19.7 million, \$19.9 million and \$16.0 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 12. ACCUMULATED OTHER COMPREHENSIVE INCOME

The changes in Accumulated other comprehensive income by component are summarized below:

(\$ in millions)	Foreign currency translation adjustments ^(d)	Other adjustments ^(b)	Total
Balance, December 31, 2021	\$ 184.9	\$ (3.2)	\$ 181.7
Other comprehensive loss before reclassifications, net of income taxes	(77.1)	—	(77.1)
Amounts reclassified from accumulated other comprehensive income:			
Increase	—	2.0 ^(a)	2.0
Income tax impact	—	(0.5)	(0.5)
Amounts reclassified from accumulated other comprehensive income, net of income taxes	—	1.5	1.5
Net current period other comprehensive (loss) income, net of income taxes	(77.1)	1.5	(75.6)
Balance, December 31, 2022	107.8	(1.7)	106.1
Other comprehensive loss before reclassifications, net of income taxes	(1.6)	—	(1.6)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	0.3 ^(c)	—	0.3
Increase	—	0.1 ^(a)	0.1
Amounts reclassified from accumulated other comprehensive income, net of income taxes	0.3	0.1	0.4
Net current period other comprehensive (loss) income, net of income taxes	(1.3)	0.1	(1.2)
Balance, December 31, 2023	106.5	(1.6)	104.9
Other comprehensive loss before reclassifications, net of income taxes	(50.6)	—	(50.6)
Amounts reclassified from accumulated other comprehensive income:			
Sale of business	1.0 ^(c)	—	1.0
Increase	—	1.0 ^(a)	1.0
Income tax impact	—	(0.3)	(0.3)
Amounts reclassified from accumulated other comprehensive income, net of income taxes	1.0	0.7	1.7
Net current period other comprehensive (loss) income, net of income taxes	(49.6)	0.7	(48.9)
Balance, December 31, 2024	\$ 56.9	\$ (0.9)	\$ 56.0

^(a) This accumulated other comprehensive income component is included in the computation of net periodic pension cost.

^(b) Includes balances relating to defined benefit plans and supplemental executive retirement plans.

^(c) Reclassified to Gain on sale of business in the Consolidated Statements of Earnings and Comprehensive Income.

^(d) The income tax impact of foreign currency translation adjustments was not significant for the periods presented.

NOTE 13. SALES

Refer to a discussion of the Company's significant accounting policies regarding sales in Note 2. Basis of Presentation and Summary of Significant Accounting Policies.

Contract Assets

In certain circumstances, contract assets are recorded which include unbilled amounts typically resulting from sales under contracts when revenue recognized exceeds the amount billed to the customer, and right to payment is subject to contractual performance obligations rather than subject only to the passage of time. Contract assets were \$8.0 million and \$6.8 million as of December 31, 2024 and 2023, respectively, and are included in Prepaid expenses and other current assets in the accompanying Consolidated Balance Sheets.

Contract Costs

The Company incurs direct incremental costs to obtain and fulfill certain contracts, typically costs associated with assets used by our customers in certain sales arrangements and sales-related commissions. As of December 31, 2024 and 2023, the Company had \$101.5 million and \$90.9 million, respectively, in revenue-related capitalized contract costs primarily related to assets used by the Company's customers in certain software contracts, which are recorded in Prepaid expenses and other current assets, for the current portion, and Other assets, for the noncurrent portion, in the accompanying Consolidated Balance Sheets. These assets have estimated useful lives between 3 and 5 years and are amortized on a straight-line basis. Total expense related to net revenue-related capitalized contract costs was \$41.0 million, \$41.0 million and \$34.6 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Impairment losses recognized on our revenue-related capitalized contract costs were insignificant during the years ended December 31, 2024, 2023 and 2022.

Contract Liabilities

The Company's contract liabilities consist of deferred revenue generally related to customer deposits, post contract support ("PCS") and extended warranty sales. In these arrangements, the Company generally receives up-front payment and recognizes revenue over the support term of the contracts where applicable. Deferred revenue is classified as current or noncurrent based on the timing of when revenue is expected to be recognized and is included in Accrued expenses and other current liabilities and Other long-term liabilities, respectively, in the accompanying Consolidated Balance Sheets.

The Company's contract liabilities consisted of the following as of December 31:

(\$ in millions)	2024	2023
Deferred revenue, current	\$ 139.2	\$ 132.4
Deferred revenue, noncurrent	58.9	53.6
Total contract liabilities	\$ 198.1	\$ 186.0

During the year ended December 31, 2024, the Company recognized \$101.2 million of revenue related to the Company's contract liabilities at December 31, 2023. The change in contract liabilities from December 31, 2023 to December 31, 2024 was primarily due to the timing of cash receipts and sales of PCS and extended warranty services.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price allocated to performance obligations which are unsatisfied as of the end of the period. The Company has excluded performance obligations with an original expected duration of one year or less and amounts for variable consideration allocated to wholly-unsatisfied performance obligations. Remaining performance obligations as of December 31, 2024 were \$466.7 million, the majority of which are related to software-as-a-service and extended warranty and service contracts. The Company expects approximately 65 percent of the remaining performance obligations will be fulfilled within the next two years, 80 percent within the next three years, and 90 percent within four years.

Disaggregation of Revenue

Revenue from contracts with customers is disaggregated by sales of products and services and geographic location for each of the Company's reportable segments, as it best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. In the Company's disaggregation of revenue by geographic location, high growth markets refers to developing markets of the world experiencing extended periods of accelerated growth in gross domestic product and infrastructure, which include Eastern Europe, the Middle East, Africa, Latin America and Asia Pacific (with the exception of Japan and Australia).

Disaggregation of revenue was as follows for the year ended December 31, 2024:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales:						
Sales of products	\$ 823.4	\$ 631.0	\$ 1,213.1	\$ 0.9	\$ —	\$ 2,668.4
Sales of services	161.1	2.4	146.7	0.4	—	310.6
Intersegment sales	30.0	—	—	—	(30.0)	—
Total	<u>\$ 1,014.5</u>	<u>\$ 633.4</u>	<u>\$ 1,359.8</u>	<u>\$ 1.3</u>	<u>\$ (30.0)</u>	<u>\$ 2,979.0</u>
Geographic:						
North America ^(a)	\$ 648.2	\$ 633.4	\$ 843.9	\$ 1.3	\$ —	\$ 2,126.8
Western Europe	94.5	—	161.6	—	—	256.1
High growth markets	162.0	—	299.9	—	—	461.9
Rest of world	79.8	—	54.4	—	—	134.2
Intersegment sales	30.0	—	—	—	(30.0)	—
Total	<u>\$ 1,014.5</u>	<u>\$ 633.4</u>	<u>\$ 1,359.8</u>	<u>\$ 1.3</u>	<u>\$ (30.0)</u>	<u>\$ 2,979.0</u>

^(a) Includes total sales in the United States of \$2,032.0 million.

Disaggregation of revenue was as follows for the year ended December 31, 2023:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales:						
Sales of products	\$ 872.3	\$ 649.1	\$ 1,163.0	\$ 93.7	\$ —	\$ 2,778.1
Sales of services	128.9	2.4	160.7	25.1	—	317.1
Intersegment sales	2.6	—	—	—	(2.6)	—
Total	<u>\$ 1,003.8</u>	<u>\$ 651.5</u>	<u>\$ 1,323.7</u>	<u>\$ 118.8</u>	<u>\$ (2.6)</u>	<u>\$ 3,095.2</u>
Geographic:						
North America ^(a)	\$ 703.3	\$ 651.5	\$ 815.6	\$ 117.2	\$ —	\$ 2,287.6
Western Europe	88.7	—	164.3	—	—	253.0
High growth markets	134.1	—	290.8	1.6	—	426.5
Rest of world	75.1	—	53.0	—	—	128.1
Intersegment sales	2.6	—	—	—	(2.6)	—
Total	<u>\$ 1,003.8</u>	<u>\$ 651.5</u>	<u>\$ 1,323.7</u>	<u>\$ 118.8</u>	<u>\$ (2.6)</u>	<u>\$ 3,095.2</u>

^(a) Includes total sales in the United States of \$2,161.0 million.

Disaggregation of revenue was as follows for the year ended December 31, 2022:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales:					
Sales of products	\$ 801.0	\$ 609.1	\$ 1,320.6	\$ 143.6	\$ 2,874.3
Sales of services	106.8	2.4	173.0	27.9	310.1
Total	<u>\$ 907.8</u>	<u>\$ 611.5</u>	<u>\$ 1,493.6</u>	<u>\$ 171.5</u>	<u>\$ 3,184.4</u>
Geographic:					
North America ^(a)	\$ 648.3	\$ 611.5	\$ 954.7	\$ 168.5	\$ 2,383.0
Western Europe	75.6	—	167.0	—	242.6
High growth markets	102.8	—	313.5	2.8	419.1
Rest of world	81.1	—	58.4	0.2	139.7
Total	<u>\$ 907.8</u>	<u>\$ 611.5</u>	<u>\$ 1,493.6</u>	<u>\$ 171.5</u>	<u>\$ 3,184.4</u>

^(a) Includes total sales in the United States of \$2,280.3 million.

NOTE 14. INCOME TAXES

Earnings and Income Taxes

Earnings (losses) before income taxes for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
United States	\$ 429.5	\$ 482.8	\$ 552.4
Non-U.S.	68.1	0.7	(25.0)
Total	<u>\$ 497.6</u>	<u>\$ 483.5</u>	<u>\$ 527.4</u>

The provision (benefit) for income taxes for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
Current:			
Federal U.S.	\$ 69.8	\$ 109.3	\$ 127.1
Non-U.S.	23.9	15.1	14.4
State and local	15.8	21.9	28.1
Deferred:			
Federal U.S.	(24.9)	(25.3)	(26.3)
Non-U.S.	(5.9)	(13.9)	(15.5)
State and local	(3.3)	(0.5)	(1.7)
Income tax provision	<u>\$ 75.4</u>	<u>\$ 106.6</u>	<u>\$ 126.1</u>

Deferred Tax Assets and Liabilities

All deferred tax assets and liabilities have been classified as noncurrent and are included in Other assets and Other long-term liabilities in the accompanying Consolidated Balance Sheets, respectively. Deferred tax assets and liabilities as of December 31 were as follows:

(\$ in millions)	2024	2023
Deferred tax assets:		
Allowance for credit losses	\$ 21.5	\$ 21.9
Operating lease liabilities	10.8	10.0
Inventories	11.9	14.8
Pension benefits	2.2	1.4
Other accruals and prepayments	36.6	35.7
Deferred revenue	15.4	16.5
Warranty services	3.9	8.9
Stock-based compensation expense	8.6	7.7
Tax credit and loss carryforwards	64.7	63.0
Capitalized research and development	68.9	44.3
Other	4.7	6.9
Valuation allowances	(26.0)	(27.2)
Total deferred tax assets	223.2	203.9
Deferred tax liabilities:		
Property, plant and equipment	(1.4)	(5.4)
Operating lease right-of-use assets	(9.7)	(9.5)
Goodwill and other intangibles	(95.2)	(104.1)
Other	(13.7)	(8.6)
Total deferred tax liabilities	(120.0)	(127.6)
Net deferred tax asset	\$ 103.2	\$ 76.3

Applying the valuation allowance methodology discussed in Note 2. Basis of Presentation and Summary of Significant Accounting Policies, valuation allowances have been established for certain deferred income tax assets to the extent they are not expected to be realized within the particular tax carryforward period. The Company's valuation allowance decreased by \$1.2 million during the current year.

As of December 31, 2024, the Company has federal, various state, and foreign net operating losses in the amounts of \$9.8 million, \$74.5 million, and \$229.6 million, respectively. These net operating loss carryforwards have various expiration periods beginning in 2025, including some with no expiration.

Effective Tax Rate

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

	Percentage of Pretax Earnings		
	2024	2023	2022
Statutory federal income tax rate	21.0 %	21.0 %	21.0 %
Increase (decrease) in tax rate resulting from:			
State income taxes (net of federal income tax benefit)	2.7 %	3.6 %	4.0 %
Non-U.S. income taxed at different rate than U.S. statutory rate	0.7 %	(0.2)%	0.7 %
Foreign derived intangible income taxation	(0.9)%	(0.9)%	(1.4)%
Nontaxable income	(0.3)%	(1.3)%	(0.9)%
Uncertain tax positions	(1.4)%	3.3 %	0.3 %
Tax credits	(2.2)%	(2.2)%	(1.3)%
Business reorganizations and divestitures	(4.2)%	(1.5)%	— %
Other	(0.2)%	0.2 %	1.5 %
Effective income tax rate	15.2 %	22.0 %	23.9 %

Our effective tax rate for the years ended December 31, 2024, 2023 and 2022 differs from the U.S. federal statutory rate of 21.0% due primarily to the effect of state taxes, foreign derived intangible income, tax credits and non-taxable income. For the year ended December 31, 2024, there was also favorable impacts related to business reorganizations and divestitures and uncertain tax positions. For the year ended December 31, 2023, there was also favorable impacts related to business reorganization and divestitures and unfavorable impacts related to uncertain tax positions.

We made income tax payments of \$93.5 million, \$126.0 million and \$167.2 million during the years ended December 31, 2024, 2023 and 2022, respectively.

Unrecognized Tax Benefits

Gross unrecognized tax benefits were \$19.9 million (\$22.6 million total, including \$3.4 million associated with interest and penalties, and net of the impact of \$0.7 million of indirect tax benefits) and \$27.0 million (\$31.3 million total, including \$5.1 million associated with interest and penalties, and net of the impact of \$0.8 million of indirect tax benefits) as of December 31, 2024 and 2023, respectively. The Company recognized a benefit of \$1.7 million, expense of \$3.2 million, and expense of \$1.1 million in potential interest and penalties associated with uncertain tax positions during the years ended December 31, 2024, 2023, and 2022, respectively. To the extent taxes are not assessed with respect to uncertain tax positions, substantially all amounts accrued (including interest and penalties and net of indirect offsets) will be reduced and reflected as a reduction of the overall income tax provision. Unrecognized tax benefits and associated accrued interest and penalties are included in the income tax provision.

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding amounts accrued for potential interest and penalties, is as follows as of December 31:

(\$ in millions)	2024	2023	2022
Unrecognized tax benefits, beginning of year	\$ 27.0	\$ 14.0	\$ 14.1
Additions based on tax positions related to the current year	0.8	11.8	1.0
Additions for tax positions of prior years	4.6	2.9	1.2
Reductions for tax positions of prior years	(5.3)	(0.5)	(1.1)
Lapse of statute of limitations	(0.6)	(0.4)	—
Settlements	(6.3)	(0.9)	(0.9)
Effect of foreign currency translation	(0.3)	0.1	(0.3)
Unrecognized tax benefits, end of year	\$ 19.9	\$ 27.0	\$ 14.0

The Company is routinely examined by various domestic and international taxing authorities. The amount of income taxes paid is subject to audit by federal, state and foreign tax authorities, which may result in proposed assessments. The Company is subject to examination in the United States, various states and foreign jurisdictions. Prior to the Separation, the Company's operating results were included in Fortive's various consolidated U.S. federal and certain state income tax returns, as well as certain non-U.S. returns. In connection with the Separation, the Company entered into a Tax Matters Agreement with Fortive. In accordance with the Tax Matters Agreement with Fortive, the Company is liable for taxes arising from examinations of the following: (i) the Company's initial U.S. federal taxable year which includes the post-separation period; (ii) separate company state tax returns for all periods; (iii) joint state tax returns for the post-separation period; (iv) international separate company returns for all periods; and (v) joint international tax returns that include only Vontier legal entities for all periods. Global tax positions are reviewed on a quarterly basis. Based on these reviews, the results of discussions and resolutions of matters with certain tax authorities, tax rulings and court decisions and the expiration of statutes of limitations reserves for contingent tax liabilities are accrued or adjusted as necessary. The Company does not believe that the total amount of unrecognized tax benefits will change by a material amount within the next 12 months due to the settlement of audits and expirations of statutes of limitations.

The IRS concluded examination procedures on the Company's initial U.S. federal income tax return for the post-Separation period of 2020. No material adjustments were identified, as such the Company has released all uncertain tax positions associated with the U.S. federal income tax return for the post-Separation period in 2020. The Company remains subject to U.S. Federal income tax audit for 2021 to 2023. The Company is subject to tax audits for its combined/consolidated state income tax returns for post-Separation 2020 as well as 2021 to 2023. The Company remains subject to tax audits for its separate company tax returns in various U.S. states for the tax years 2020 to 2023. Our operations in certain foreign jurisdictions remain subject to routine examinations for the tax years 2017 to 2023.

Repatriation and Unremitted Earnings

As of December 31, 2024, the Company's undistributed earnings of its foreign subsidiaries are intended to be permanently reinvested in non-U.S. operations. The operating plans, budgets and forecasts, and long-term and short-term financial requirements of the parent company and the subsidiaries indicate that there is no current or known future need to distribute cash from foreign subsidiaries for any purpose. Therefore, no deferred taxes have been recorded. A determination of the amount of the unrecognized deferred tax liability related to these undistributed earnings is not practicable due to the complexity and variety of assumptions necessary based on the manner in which the undistributed earnings would be repatriated.

NOTE 15. SEGMENT INFORMATION

The President and CEO of Vontier has been identified as the Company's chief operating decision maker ("CODM"). Segment operating profit is used as a performance metric by the CODM in determining how to allocate resources and assess performance. Segment operating profit represents total segment sales less operating costs attributable to the segment, which does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, including amortization of acquisition-related intangible assets, stock-based compensation expense, restructuring and other related charges and other unallocated income or expense not indicative of the segment's core operating performance. Corporate costs represent general and administrative expenses for the Company's corporate functions, including transaction and deal-related costs.

As part of the CODM's assessment of the Repair Solutions segment, a capital charge calculated based on the segment's average gross outstanding financing receivables portfolio during the period and an estimated weighted average cost of capital is assessed by Corporate (the "Repair Solutions Capital Charge").

The CODM does not regularly review any expenses on a segment basis. The CODM is regularly provided with actual and forecasted bookings and sales, and the related core growth for each, and segment operating profit and the related margin on a segment basis to assess segment performance. The CODM also reviews prior forecast to current forecast variances for bookings, sales and segment operating profit as part of the assessment of segment performance.

Intersegment sales primarily result from solutions developed by the Mobility Technologies segment that are integrated into products sold by the Environmental & Fueling Solutions segment. Intersegment sales are recorded at cost plus a margin which is intended to reflect the contribution made by the Mobility Technologies segment. Segment operating profit includes the operating profit from intersegment sales. Intersegment sales for the year ended December 31, 2022 are not significant and have been eliminated in the segments' results.

The Company's CODM does not review any information regarding total assets on a segment basis.

Segment results for the year ended December 31, 2024 were as follows:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales of products and services ^(a)	\$ 984.5	\$ 633.4	\$ 1,359.8	\$ 1.3	\$ —	\$ 2,979.0
Intersegment sales	30.0	—	—	—	(30.0)	—
Total sales	1,014.5	633.4	1,359.8	1.3	(30.0)	2,979.0
Operating costs and expenses:						
Other segment items	(821.9)	(492.7)	(964.9)	(1.7)	30.0	(2,251.2)
Segment operating profit	\$ 192.6	\$ 140.7	\$ 394.9	\$ (0.4)	\$ —	\$ 727.8

^(a) Repair Solutions includes interest income related to financing receivables of \$76.1 million.

Segment results for the year ended December 31, 2023 were as follows:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Eliminations	Total
Sales of products and services ^(a)	\$ 1,001.2	\$ 651.5	\$ 1,323.7	\$ 118.8	\$ —	\$ 3,095.2
Intersegment sales	2.6	—	—	—	(2.6)	—
Total sales	1,003.8	651.5	1,323.7	118.8	(2.6)	3,095.2
Other segment items	(803.9)	(481.5)	(954.2)	(107.5)	2.6	(2,344.5)
Segment operating profit	\$ 199.9	\$ 170.0	\$ 369.5	\$ 11.3	\$ —	\$ 750.7

^(a) Repair Solutions includes interest income related to financing receivables of \$78.8 million.

Segment results for the year ended December 31, 2022 were as follows:

(\$ in millions)	Mobility Technologies	Repair Solutions	Environmental & Fueling Solutions	Other	Total
Sales of products and services ^(a)	\$ 907.8	\$ 611.5	\$ 1,493.6	\$ 171.5	\$ 3,184.4
Operating costs and expenses:					
Other segment items	(720.3)	(441.8)	(1,087.1)	(152.3)	(2,401.5)
Segment operating profit	\$ 187.5	\$ 169.7	\$ 406.5	\$ 19.2	\$ 782.9

^(a) Repair Solutions includes interest income related to financing receivables of \$72.7 million.

Other segment items for each reportable segment includes the following for all periods presented:

- **Mobility Technologies:** Cost of sales, excluding amortization of acquisition-related intangible assets, selling, general and administrative expenses and research and development expenses.
- **Repair Solutions:** Cost of sales, excluding amortization of acquisition-related intangible assets, selling, general and administrative expenses, research and development expenses and the Repair Solutions Capital Charge. The Repair Solutions Capital Charge was \$43.9 million, \$41.7 million and \$39.8 million for the years ended December 31, 2024, 2023 and 2022, respectively.
- **Environmental & Fueling Solutions:** Cost of sales, excluding amortization of acquisition-related intangible assets, selling, general and administrative expenses and research and development expenses.
- **Other:** Cost of sales, excluding amortization of acquisition-related intangible assets, selling, general and administrative expenses and research and development expenses.

Other segment items does not include unallocated corporate costs and other operating costs not allocated to the reportable segments as part of the CODM's assessment of reportable segment operating performance, as further discussed above.

A reconciliation of segment operating profit to earnings before income taxes for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
Segment operating profit	\$ 727.8	\$ 750.7	\$ 782.9
Corporate & other unallocated costs:			
Amortization of acquisition-related intangible assets	(79.7)	(81.2)	(78.0)
Stock-based compensation expense	(31.6)	(31.5)	(24.3)
Restructuring and other related charges	(13.5)	(25.2)	(11.5)
Other unallocated expense	(0.9)	(1.2)	(6.8)
Corporate costs	(109.0)	(109.9)	(124.2)
Repair Solutions Capital Charge	43.9	41.7	39.8
Total corporate & other unallocated costs	(190.8)	(207.3)	(205.0)
Operating profit	537.0	543.4	577.9
Interest expense, net	(74.7)	(93.7)	(69.6)
Gain on sale of business	37.2	34.4	—
Gain on previously held equity interests from combination of business	—	—	32.7
Unrealized loss on equity securities measured at fair value	—	—	(8.7)
Other non-operating expense, net	(1.9)	(0.6)	(4.9)
Earnings before income taxes	\$ 497.6	\$ 483.5	\$ 527.4

Depreciation expense by segment for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
Mobility Technologies	\$ 35.3	\$ 29.4	\$ 23.4
Repair Solutions	2.6	2.1	1.7
Environmental & Fueling Solutions	8.0	11.2	13.9
Other	—	—	0.9
Corporate	1.5	1.1	1.0
Total	\$ 47.4	\$ 43.8	\$ 40.9

Tangible long-lived assets, which consist of property, plant and equipment and operating lease right-of-use assets, by geographic area as of December 31 were as follows:

(\$ in millions)	2024	2023
United States	\$ 106.0	\$ 93.6
All other	61.0	55.7
Total tangible long-lived assets	\$ 167.0	\$ 149.3

NOTE 16. RESTRUCTURING AND OTHER RELATED CHARGES

Restructuring and other related charges for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
Employee severance related	\$ 9.6	\$ 19.0	\$ 10.6
Facility exit and other related	3.9	6.2	0.9
Total restructuring and other related charges	\$ 13.5	\$ 25.2	\$ 11.5

Substantially all restructuring activities initiated in 2024 were completed by December 31, 2024. We expect substantially all cash payments associated with remaining termination benefits recorded in 2024 will be paid during 2025. Substantially all restructuring activities initiated in the years ended December 31, 2023 and 2022 have been completed.

The nature of restructuring and related activities initiated in the years ended December 31, 2024, 2023 and 2022 focused on improvements in operational efficiency through targeted workforce reductions and facility consolidations and closures. These costs were incurred to optimize the Company's cost structure in order to provide products and services to the Company's customers in a cost efficient manner, taking into consideration industry and macroeconomic trends.

The table below summarizes the accrual balance and utilization by type of restructuring cost associated with our restructuring actions:

(\$ in millions)	Balance as of December 31, 2022	Costs Incurred	Paid / Settled	Balance as of December 31, 2023	Costs Incurred	Paid / Settled	Balance as of December 31, 2024
Employee severance and related	\$ 1.5	\$ 19.0	\$ (17.7)	\$ 2.8	\$ 9.6	\$ (9.1)	\$ 3.3
Facility exit and other related	1.1	6.2	(6.1)	1.2	3.9	(4.9)	0.2
Total	<u>\$ 2.6</u>	<u>\$ 25.2</u>	<u>\$ (23.8)</u>	<u>\$ 4.0</u>	<u>\$ 13.5</u>	<u>\$ (14.0)</u>	<u>\$ 3.5</u>

The restructuring and other related charges incurred during the years ended December 31, 2024, 2023 and 2022 were primarily cash charges. These charges are reflected in the following captions in the accompanying Consolidated Statements of Earnings and Comprehensive Income for the years ended December 31:

(\$ in millions)	2024	2023	2022
Cost of sales	\$ 1.8	\$ 10.2	\$ 3.2
Selling, general and administrative expenses	11.7	15.0	8.3
Total	<u>\$ 13.5</u>	<u>\$ 25.2</u>	<u>\$ 11.5</u>

Restructuring and other related charges by reportable segment for the years ended December 31 were as follows:

(\$ in millions)	2024	2023	2022
Mobility Technologies	\$ 5.8	\$ 3.7	\$ 0.8
Repair Solutions	0.4	0.5	—
Environmental & Fueling Solutions	5.3	19.9	6.9
Other	—	—	1.2
Corporate	2.0	1.1	2.6
Total	<u>\$ 13.5</u>	<u>\$ 25.2</u>	<u>\$ 11.5</u>

NOTE 17. LITIGATION AND CONTINGENCIES

Litigation and Other Contingencies

The Company is, from time to time, subject to a variety of litigation and other proceedings incidental to its business, including lawsuits involving claims for damages arising out of the use of its products, software and services; claims relating to intellectual property matters, employment matters, commercial disputes, product liability (including asbestos exposure claims) and personal injury; as well as regulatory investigations or enforcement. The Company may also become subject to lawsuits as a result of past or future acquisitions, or as a result of liabilities retained from, or representations, warranties or indemnities provided in connection with divested businesses. Some of these lawsuits may include claims for punitive and consequential as well as compensatory damages. Based upon experience, current information and applicable law, the Company does not believe that these proceedings and claims will have a material adverse effect on its financial position, results of operations or cash flows.

In accordance with accounting guidance, the Company records a liability in the Consolidated Financial Statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss does not meet the known or probable level but is reasonably possible and a loss or range of loss can be reasonably estimated, the estimated loss or range of loss is disclosed.

The Company's reserves consist of specific reserves for individual claims and additional amounts for anticipated developments of these claims as well as for incurred but not yet reported claims. The specific reserves for individual known claims are quantified with the assistance of legal counsel and outside risk insurance professionals where appropriate. In addition, outside risk insurance professionals may assist in the determination of reserves for incurred but not yet reported claims through evaluation of our specific loss history, actual claims reported, and industry trends among statistical and other factors. Reserve estimates are adjusted as additional information regarding a claim becomes known. While the Company actively pursues financial recoveries from insurance providers, the Company does not recognize any recoveries until realized or until such time as a sustained pattern of collections is established related to historical matters of a similar nature and magnitude. If the risk insurance reserves the Company has established are inadequate, the Company would be required to incur an expense equal to the amount of the loss incurred in excess of the reserves, which would adversely affect the Company's net earnings.

In connection with the recognition of liabilities for asbestos-related matters, the Company records insurance recoveries that are deemed probable and estimable. In assessing the probability of insurance recovery, the Company makes judgments concerning insurance coverage that it believes are reasonable and consistent with its historical dealings, knowledge of any pertinent solvency issues surrounding insurers, and litigation and court rulings potentially impacting coverage. While the substantial majority of the Company's insurance carriers are solvent, some of our individual carriers are insolvent, which has been considered in the analysis of probable recoveries. Projecting future events is subject to various uncertainties, including litigation and court rulings potentially impacting coverage, that could cause insurance recoveries on asbestos-related liabilities to be higher or lower than those projected and recorded. Given the inherent uncertainty in making future projections, the Company reevaluates projections concerning the Company's probable insurance recoveries considering any changes to the projected liabilities, the Company's recovery experience or other relevant factors that may impact future insurance recoveries.

Gross liabilities associated with known and future expected asbestos claims and projected insurance recoveries were as follows as of December 31:

(\$ in millions)	Classification	2024	2023
Gross liabilities			
Current	Accrued expenses and other current liabilities	\$ 21.4	\$ 17.8
Long-term	Other long-term liabilities	83.2	76.5
Total		<u>104.6</u>	<u>94.3</u>
Projected insurance recoveries			
Current	Prepaid expenses and other current assets	14.1	12.7
Long-term	Other assets	50.7	43.9
Total		<u>\$ 64.8</u>	<u>\$ 56.6</u>

Guarantees

As of December 31, 2024 and 2023, the Company had guarantees consisting primarily of outstanding standby letters of credit, bank guarantees, and performance and bid bonds of \$81.4 million and \$79.2 million, respectively. These guarantees have been provided in connection with certain arrangements with vendors, customers, financing counterparties, and governmental entities to secure the Company's obligations and/or performance requirements related to specific transactions.

NOTE 18. STOCK-BASED COMPENSATION

In connection with the Separation and the related employee matters agreement, the Company adopted the 2020 Stock Incentive Plan (the "Stock Plan") that became effective upon the Separation. Outstanding equity awards of Fortive held by the Company's employees at the separation date were converted into or replaced with Vontier equity awards (the "Conversion Awards"). The Stock Plan provides for the grant of stock appreciation rights, RSUs, PSUs, performance based restricted stock awards and performance stock awards (collectively, "Stock Awards"), stock options or any other stock-based award. A total of 17.0 million shares of the Company's common stock have been authorized for issuance under the Stock Plan and as of December 31, 2024, approximately 8.6 million shares remain available for issuance under the Stock Plan.

Stock options under the Stock Plan generally vest pro rata over a five-year period and terminate 10 years from the grant date, though the specific terms of each grant are determined by the Compensation Committee of the Company's Board of Directors. The Company's executive officers, certain other employees and non-employee directors may be awarded stock options with different vesting criteria. Exercise prices for stock options granted under the Stock Plan were equal to the closing price of Vontier's common

stock on the NYSE on the date of grant, while stock options issued as Conversion Awards were priced to maintain the economic value before and after the Separation.

RSUs granted to employees under the Stock Plan generally provide for time-based vesting over three years or five years, although certain employees may be awarded RSUs with different time-based vesting criteria. RSUs granted to non-employee directors under the Stock Plan vest on the earlier of the first anniversary of the grant date or the date of, and immediately prior to, the next annual meeting of stockholders following the grant date. Prior to vesting, RSUs granted under the Stock Plan do not have dividend equivalent rights, do not have voting rights and the shares underlying the RSUs are not considered issued or outstanding.

PSUs granted under the Stock Plan during the year ended December 31, 2024 vest based 50% on the Company's adjusted operating profit margin expansion and 50% based on core revenue growth, modified by the Company's total shareholder return relative to the S&P 500 Index, over a three-year performance period. PSUs granted under the Stock Plan during the years ended December 31, 2023 and 2022 vest based on the Company's adjusted earnings per share, modified by the Company's total shareholder return relative to the S&P 500 Index, over a three-year performance period.

Stock awards generally vest only if the employee is employed (or in the case of directors, the director continues to serve on the Board) on the vesting date. To cover the exercise of stock options and vesting of RSUs and PSUs, the Company generally issues shares authorized but previously unissued.

Stock-based Compensation Expense

Stock-based compensation has been recognized as a component of Selling, general and administrative expenses in the accompanying Consolidated Statements of Earnings and Comprehensive Income. The amount of stock-based compensation expense recognized during a period is based on the portion of the awards that are ultimately expected to vest. Pre-vesting forfeitures are estimated at the time of grant by analyzing historical data and are revised in subsequent periods if actual forfeitures differ from those estimates.

Stock-based compensation expense related to stock options, restricted stock units and performance stock units granted under the Stock Plan and subsidiary stock plan further discussed below was \$31.6 million, \$31.5 million and \$24.3 million during the years ended December 31, 2024, 2023 and 2022, respectively, which was reduced by the related tax benefit of \$5.8 million, \$5.5 million and \$3.7 million, respectively.

The following summarizes the unrecognized compensation cost for the Stock Plan awards as of December 31, 2024. This compensation cost is expected to be recognized over a weighted average period of approximately 1.8 years, representing the remaining service period related to the awards. Future compensation amounts will be adjusted for any changes in estimated forfeitures:

(\$ in millions)	
Stock Awards	\$ 37.0
Stock options	1.2
Total unrecognized compensation cost	<u>\$ 38.2</u>

Stock Options

The following summarizes option activity under the Stock Plan for the years ended December 31, 2024, 2023 and 2022 (in millions, except price per share and numbers of years):

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2021	3.9	\$ 27.77		
Granted	—	—		
Exercised	(0.1)	16.14		
Canceled/forfeited	(0.5)	29.88		
Outstanding as of December 31, 2022	3.3	27.97		
Granted	—	—		
Exercised	(0.5)	21.01		
Canceled/forfeited	(0.6)	31.34		
Outstanding as of December 31, 2023	2.2	28.87		
Granted	0.1	41.10		
Exercised	(0.6)	27.22		
Canceled/forfeited	—	—		
Outstanding as of December 31, 2024	1.7	30.27	4.4	\$ 11.1
Vested and expected to vest as of December 31, 2024	1.7	30.23	4.4	11.0
Exercisable as of December 31, 2024	1.5	\$ 29.34	4.0	\$ 10.4

The fair value of each stock option granted was estimated on the date of grant using the Black-Scholes model for service condition awards with the following weighted average assumptions for the year ended December 31, 2024. There were no options granted during the years ended December 31, 2023 and 2022.

	2024
Risk-free interest rate	4.3 %
Volatility	30.2 %
Dividend yield	0.3 %
Expected years until exercise	6.5

The total fair value of options vested during the years ended December 31, 2024, 2023 and 2022 was \$1.4 million, \$2.6 million and \$2.2 million, respectively.

Options outstanding as of December 31, 2024 are summarized below (in millions; except price per share and numbers of years):

Exercise Price	Outstanding			Exercisable	
	Number of Options	Average Exercise Price	Average Remaining Life (in years)	Number of Options	Average Exercise Price
\$0.00 - \$17.43	0.1	\$ 17.43	1.1	0.1	\$ 17.43
\$17.44 - \$23.46	0.2	22.32	2.2	0.2	22.31
\$23.47 - \$31.46	1.0	31.22	4.6	0.9	31.19
\$31.47 - \$33.43	0.2	33.35	4.0	0.2	33.35
\$33.44 - \$41.10	0.2	\$ 37.77	7.7	0.1	\$ 33.66
Total shares	1.7			1.5	

The following summarizes the aggregate intrinsic value of stock options exercised under the Stock Plan during the years ended December 31:

(\$ in millions)	2024	2023	2022
Aggregate intrinsic value of stock options exercised	\$ 7.9	\$ 5.2	\$ 1.0

Stock Awards

The following summarizes information related to Stock Award activity under the Stock Plan for the years ended December 31, 2024, 2023 and 2022 (in millions; except price per share):

	Number of Stock Awards	Weighted Average Grant-Date Fair Value
Unvested as of December 31, 2021	1.8	\$ 32.44
Granted	1.4	23.60
Vested	(0.6)	31.29
Forfeited	(0.4)	29.15
Unvested as of December 31, 2022	2.2	27.39
Granted	1.4	26.39
Vested	(0.9)	27.56
Forfeited	(0.3)	26.56
Unvested as of December 31, 2023	2.4	26.87
Granted	1.0	41.34
Vested	(0.9)	27.62
Forfeited	(0.4)	31.81
Unvested as of December 31, 2024	2.1	\$ 32.37

Subsidiary Stock Plan

The Company has a subsidiary stock-based compensation plan under which the Company grants equity awards to certain employees and non-employees for the common stock of a subsidiary that holds Driivz and certain other related entities. The Company recognized stock-based compensation expense related to the subsidiary stock plan of \$4.2 million, \$4.1 million and \$0.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 19. CAPITAL STOCK AND EARNINGS PER SHARE

Capital Stock

The Company's authorized capital stock consists of 2.0 billion shares of common stock, par value \$0.0001 per share, and 15.0 million shares of preferred stock with no par value, with all shares of preferred stock undesignated.

Each share of Vontier common stock entitles the holder to one vote on all matters to be voted upon by common stockholders. Vontier's Board of Directors (the "Board") is authorized to issue shares of preferred stock in one or more series and has discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock. The Board's authority to issue preferred stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of the common stock, could potentially discourage attempts by third parties to obtain control of Vontier through certain types of takeover practices.

Earnings Per Share

Basic earnings per share is calculated by dividing net earnings by the weighted average number of shares of common stock outstanding. Diluted earnings per share is calculated by adjusting weighted average common shares outstanding for the dilutive effect of the assumed issuance of shares under stock-based compensation plans, determined using the treasury-stock method, except where the inclusion of such shares would have an anti-dilutive impact.

Information related to the calculation of net earnings per share of common stock is summarized as follows:

(in millions, except per share amounts)	Year Ended December 31		
	2024	2023	2022
Numerator:			
Net earnings	\$ 422.2	\$ 376.9	\$ 401.3
Denominator:			
Basic weighted average common shares outstanding	152.8	155.1	160.5
Effect of dilutive stock options and RSUs	1.0	0.9	0.5
Diluted weighted average common shares outstanding	153.8	156.0	161.0
Earnings per share:			
Basic	\$ 2.76	\$ 2.43	\$ 2.50
Diluted	\$ 2.75	\$ 2.42	\$ 2.49
Anti-dilutive shares	0.5	1.8	3.3

Share Repurchase Program

During the first fiscal quarter of 2022, the Company entered into an accelerated share repurchase (“ASR”) agreement with a third-party financial institution, whereupon the Company made a prepayment of \$250.0 million. The ASR settled during the second fiscal quarter of 2022. The Company received 10.0 million of the Company’s shares at an average price per share of \$25.11 under the ASR.

On May 24, 2022, the Company’s Board of Directors approved a replenishment of the Company’s previously approved share repurchase program announced in May 2021, bringing the total amount authorized for future share repurchases to \$500.0 million. Under the share repurchase program, the Company may purchase shares of common stock from time to time in open market transactions, privately negotiated transactions, accelerated share repurchase programs, or by combinations of such methods, any of which may use prearranged trading plans that are designed to meet the requirements of Rule 10b5-1(c) of the Securities Exchange Act of 1934. The timing of any repurchases and the actual number of shares repurchased will depend on a variety of factors, including the Company’s stock price, corporate and regulatory requirements, restrictions under the Company’s debt obligations and other market and economic conditions. The share repurchase program may be suspended or discontinued at any time and has no expiration date.

During the year ended December 31, 2022, the Company repurchased an additional 3.7 million of the Company’s shares for \$78.0 million through open market transactions at an average price per share of \$20.85.

During the year ended December 31, 2023, the Company repurchased 2.8 million of the Company’s shares for \$74.7 million through open market transactions at an average price per share of \$26.96.

During the third fiscal quarter of 2024, the Company entered into an ASR agreement with a third-party institution, whereupon the Company made a prepayment of \$100.0 million. The ASR agreement settled during the third fiscal quarter of 2024. The Company received 3.0 million of the Company’s shares at an average price per share of \$33.84 under the ASR.

During the fourth fiscal quarter of 2024, the Company entered into a share repurchase agreement with a third-party institution, whereupon the Company made a payment of \$25.0 million. At the end of an agreed-upon trading period during the fourth fiscal quarter of 2024, the Company received 0.6 million of the Company’s shares at an average price per share of \$39.57 under the share repurchase agreement.

The Company repurchased an additional 2.7 million of the Company’s shares for \$99.7 million through open market transactions at an average price per share of \$37.09 during the year ended December 31, 2024.

As of December 31, 2024, the Company had remaining authorization to repurchase \$129.6 million of its common stock under the share repurchase program.

NOTE 20. DIVESTITURES

Global Traffic Technologies

On April 14, 2023, the Company completed the sale of Global Traffic Technologies for \$108.4 million. As a result of the transaction, the Company recognized a gain of \$34.4 million during the year ended December 31, 2023, which is presented in Gain on sale of business in the Consolidated Statements of Earnings and Comprehensive Income. The operations of Global Traffic Technologies did not meet the criteria to be presented as discontinued operations.

Coats

On January 8, 2024, the Company completed the sale of Coats for \$72.4 million. As a result of the transaction, the Company recognized a gain of \$37.2 million during the year ended December 31, 2024, which is presented in Gain on sale of business in the Consolidated Statements of Earnings and Comprehensive Income. There is a transition services agreement (the “TSA”) in place between the Company and Coats which sets forth the terms and conditions pursuant to which the Company will provide certain services to Coats. Receipts related to the TSA were insignificant for the year ended December 31, 2024. The operations of Coats did not meet the criteria to be presented as discontinued operations.

NOTE 21. SUBSEQUENT EVENTS

Share Repurchase Program

During January 2025, the Company repurchased 0.7 million of the Company’s shares through open market transactions for \$25.0 million.

Credit Facilities

During February 2025, the Company executed an amendment to the Revolving Credit Facility, which extended the maturity date to February 2030 and removed the SOFR adjustment.

During February 2025, the Company repaid \$50.0 million of the Three-Year Term Loans due 2025 and executed an amendment to extend the maturity date to February 2028. As part of the amendment, the credit spread adjustment was removed and the ratings-based margin was reduced by 12.5 basis points.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Our management, with the participation of the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on such evaluation, the President and Chief Executive Officer, and Senior Vice President and Chief Financial Officer, have concluded that, as of the end of such period, these disclosure controls and procedures were effective.

Management’s annual report on its internal control over financial reporting (as such term is defined in Rules 13a-15(f) under the Exchange Act) and the independent registered public accounting firm’s audit report on the effectiveness of the Company’s internal control over financial reporting are included in the Company’s financial statements for the year ended December 31, 2024 included in Item 8 of this Annual Report on Form 10-K, under the headings “Report of Management on Vontier Corporation’s Internal Control Over Financial Reporting” and “Report of Independent Registered Public Accounting Firm,” respectively, and are incorporated herein by reference.

There have been no changes in our internal control over financial reporting that occurred during the most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended December 31, 2024, none of the Company’s directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of the Company’s securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Other than the information below, the information required by this Item is incorporated by reference from the sections entitled *Election of Directors of Vontier, Corporate Governance* in the Proxy Statement for our 2025 annual meeting and to the information under the caption “Executive Officers of the Registrant” in Part I hereof. No nominee for director was selected pursuant to any arrangement or understanding between the nominee and any person other than the Company pursuant to which such person is or was to be selected as a director or nominee.

Insider Trading Policy

The Company has adopted an insider trading policy governing the purchase, sale and/or other disposition of its securities by its directors, officers and employees, which it believes is reasonably designed to promote compliance with insider trading laws, rules and regulations and the applicable exchange listing standards. In addition, with regard to the Company’s trading in its own securities, it is the Company’s policy to comply with the federal securities laws and the applicable exchange listing requirements.

Code of Ethics

We have adopted a code of business conduct and ethics for directors, officers (including Vontier’s principal executive officer, principal financial officer and principal accounting officer) and employees, known as the Code of Conduct. The Code of Conduct is available in the “Investors - Governance” section of our website at www.vontier.com.

We intend to disclose any amendment to the Code of Conduct that relates to any element of the code of ethics definition enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Conduct granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any of our other executive officers, in the “Investors - Governance” section of our website, at www.vontier.com, within four business days following the date of such amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference from the sections entitled *Compensation Discussion and Analysis*, *Compensation Committee Report*, *Executive Compensation*, *Tables*, *Pay Ratio* and *Director Compensation* in the Proxy Statement for our 2025 annual meeting (other than the Compensation Committee Report, which shall not be deemed to be “filed”).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference from the sections entitled *Beneficial Ownership of Vontier Common Stock by Directors, Officers and Principal Shareholders* in the Proxy Statement for our 2025 annual meeting.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference from the sections entitled *Corporate Governance* and *Certain Relationships and Related Transactions* in the Proxy Statement for our 2025 annual meeting.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference from the section entitled *Ratification of Independent Registered Public Accounting Firm* in the Proxy Statement for our 2025 annual meeting.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

a) The following documents are filed as part of this report.

- (1) Financial Statements. The financial statements are set forth under “Item 8. Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.
- (2) Schedules. An index of Exhibits and Schedules is on page [86](#) of this report. Schedules other than those listed below have been omitted from this Annual Report on Form 10-K because they are not required, are not applicable or the required information is included in the financial statements or the notes thereto.
- (3) Exhibits. The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report on Form 10-K.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

INDEX TO FINANCIAL STATEMENTS, SUPPLEMENTARY DATA AND FINANCIAL STATEMENT SCHEDULE

Page Number in
Form 10-K

Financial Statement Schedule:

[Valuation and Qualifying Accounts](#)

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Incorporated by Reference (Unless Otherwise Indicated)

Exhibit Number	Exhibit Index	Form	File No.	Exhibit	Filing Date
2.1	Separation and Distribution Agreement, dated as of October 8, 2020, by and between Vontier Corporation and Fortive Corporation	8-K	001-39483	2.1	October 13, 2020
3.1	Certificate of Amendment to the Certificate of Incorporation of Vontier Corporation	8-K	001-39483	3.1	September 30, 2020
3.2	Amended and Restated Certificate of Incorporation of Vontier Corporation	8-K	001-39483	3.1	October 13, 2020
3.3	Certificate of Amendment, dated May 25, 2022 to the Amended and Restated Certificate of Incorporation of Vontier Corporation	8-K	001-39483	3.1	May 27, 2022
3.4	Amended and Restated Bylaws of Vontier Corporation, effective December 13, 2022	8-K	001-39483	3.1	December 16, 2022
4.1	Description of Common Stock	10-K	001-39483	4.1	February 25, 2021
4.2	Amended and Restated Indenture, dated as of November 19, 2021, among the Company, the guarantors party thereto and Wilmington Trust, National association, as Trustee	8-K	001-39483	4.1	November 19, 2021
10.1	Amended and Restated Credit Agreement, dated as of April 28, 2021, by and among Vontier Corporation, Bank of America, N.A. as Administrative Agent, L/C Issuer and Swing Line Lender, and other Lenders party thereto	8-K	001-39483	10.1	April 28, 2021
10.2	Second Amended and Restated Credit Agreement, dated as of February 12, 2025, by and among Vontier Corporation and certain of its subsidiaries, Bank of America, N.A. as Administrative Agent, L/C Issuer and Swing Line Lender, and other Lenders party thereto	8-K	001-39483	10.2	February 13, 2025
10.3	Transition Services Agreement, dated as of October 8, 2020, by and between Vontier Corporation and Fortive Corporation	8-K	001-39483	10.3	October 13, 2020
10.4	Vontier Corporation 2020 Stock Incentive Plan*	8-K	001-39483	10.7	October 13, 2020
10.5	Vontier Corporation Non-Employee Directors' Deferred Compensation Plan*	10-K	001-39483	10.9	February 24, 2022
10.6	Vontier Corporation Director Compensation Policy*	10-K	001-39483	10.10	February 17, 2023
10.7	Form of Restricted Stock Unit Agreement under the Vontier Corporation 2020 Stock Incentive Plan*	—	—		Filed herewith
10.8	Form of Restricted Stock Unit Agreement (Non-Employee Directors Deferred Compensation) under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.9 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.10	October 13, 2020
10.9	Form of Performance Stock Unit Agreement under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.10 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.11	October 13, 2020
10.10	Form of Stock Option Agreement under the Vontier Corporation 2020 Stock Incentive Plan*	—	—		Filed herewith
10.11	Form of Stock Option Agreement (Non-Employee Directors) under the Vontier Corporation 2020 Stock Incentive Plan (incorporated by reference to Exhibit 10.12 to Vontier Corporation's Registration Statement on Form 10, filed on September 1, 2020)*	8-K	001-39483	10.13	October 13, 2020
10.12	Vontier Corporation 2020 Executive Incentive Compensation Plan*	8-K	001-39483	10.14	October 13, 2020
10.13	Vontier Corporation Executive Incentive Compensation Plan*	8-K	001-39483	10.1	March 15, 2022
10.14	Vontier Corporation Amended and Restated Executive Deferred Incentive Plan*	8-K	001-39483	10.1	June 13, 2023

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10.15	Vontier Corporation Separation Pay Plan for Officers, Key and Senior Executives*	10-Q	001-39483	10.1	October 31, 2024
10.16	Term Loan Agreement, dated as of August 5, 2021, by and among Vontier Corporation, Bank of America, N.A., as Administrative Agent, and the other Lenders party thereto	8-K	001-39483	10.1	August 5, 2021
10.17	Term Loan Agreement, dated as of October 28, 2022, by and among Vontier Corporation, Bank of America, N.A., as Administrative Agent and the other Lenders party thereto	8-K	001-39483	10.1	November 3, 2022
10.18	First Amendment to Term Loan Agreement, dated as of February 12, 2025, by and among Vontier Corporation, Bank of America, N.A., as Administrative Agent, and the other Lenders party thereto	8-K	001-394843	10.1	February 13, 2025
10.19	Letter Agreement between Anshooman Aga and Vontier Corporation dated August 9, 2022*	8-K	001-39483	10.1	August 12, 2022
19.1	Vontier Corporation Insider Trading Policy	10-Q	001-39483	19.1	August 3, 2023
21.1	Subsidiaries of the Registrant	—	—		Filed herewith
22.1	List of Guarantor Subsidiaries	—	—		Filed herewith
23.1	Consent of Independent Registered Public Accounting Firm	—	—		Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—		Filed herewith
97.1	Vontier Corporation Recoupment Policy	10-K	001-39483	97.1	February 15, 2024
101.INS	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document	—	—		Filed herewith
101.SCH	Inline XBRL Taxonomy Schema Document	—	—		Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	—	—		Filed herewith
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	—	—		Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	—	—		Filed herewith
101.PRE	Inline Taxonomy Extension Presentation Linkbase Document	—	—		Filed herewith
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	—	—		Filed herewith

*Indicates management contract or compensatory plan, contract or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 13, 2025

VONTIER CORPORATION

By: /s/ MARK D. MORELLI

Mark D. Morelli
President and Chief Executive Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this annual report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

<u>Name, Title and Signature</u>	<u>Date</u>
<u>/s/ KAREN C. FRANCIS</u> Karen C. Francis Chair, Director	February 13, 2025
<u>/s/ ANSHOOMAN AGA</u> Anshooman Aga Senior Vice President, Chief Financial Officer	February 13, 2025
<u>/s/ GLORIA R. BOYLAND</u> Gloria R. Boyland Director	February 13, 2025
<u>/s/ ROBERT L. EATROFF</u> Robert L. Eatroff Director	February 13, 2025
<u>/s/ DAVID M. FOULKES</u> David M. Foulkes Director	February 13, 2025
<u>/s/ MARTIN GAFINOWITZ</u> Martin Gafinowitz Director	February 13, 2025
<u>/s/ CHRISTOPHER J. KLEIN</u> Christopher J. Klein Director	February 13, 2025
<u>/s/ ANDREW D. MILLER</u> Andrew D. Miller Director	February 13, 2025
<u>/s/ MARK D. MORELLI</u> Mark D. Morelli President, Chief Executive Officer and Director	February 13, 2025
<u>/s/ PAUL V. SHIMP</u> Paul V. Shimp Chief Accounting Officer	February 13, 2025
<u>/s/ MARYROSE SYLVESTER</u> Maryrose Sylvester Director	February 13, 2025
<u>/s/ J. DARRELL THOMAS</u> J. Darrell Thomas Director	February 13, 2025

VONTIER CORPORATION AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS
(in millions)

Classification	Balance at Beginning of Period ^(a)	Charged to Costs & Expenses	Impact of Currency	Charged to Other Accounts ^(b)	Write Offs, Write Downs & Deductions	Balance at End of Period ^(a)
Year Ended December 31, 2024						
Allowances deducted from asset accounts:						
Allowance for credit losses	\$ 69.4	\$ 51.2	\$ (0.8)	\$ —	\$ (52.7)	\$ 67.1
Valuation allowance for deferred income tax assets	\$ 27.2	\$ 0.7	\$ —	\$ —	\$ (1.9)	\$ 26.0
Year Ended December 31, 2023						
Allowances deducted from asset accounts:						
Allowance for credit losses	\$ 71.9	\$ 42.5	\$ —	\$ —	\$ (45.0)	\$ 69.4
Valuation allowance for deferred income tax assets	\$ 26.8	\$ —	\$ —	\$ 0.4	\$ —	\$ 27.2
Year Ended December 31, 2022						
Allowances deducted from asset accounts:						
Allowance for credit losses	\$ 81.4	\$ 32.2	\$ (0.9)	\$ (0.3)	\$ (40.5)	\$ 71.9
Valuation allowance for deferred income tax assets	\$ 23.0	\$ —	\$ —	\$ 3.8	\$ —	\$ 26.8

^(a) Amounts include allowance for credit losses classified as current and noncurrent.

^(b) Amounts are related to businesses acquired, the impact of new accounting standards and other adjustments.

VONTIER CORPORATION
2020 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Unless otherwise defined herein, the terms defined in the Vontier Corporation 2020 Stock Incentive Plan (the “Plan”) will have the same defined meanings in this Restricted Stock Unit Agreement, including any special terms and conditions for the Participant’s country set forth in the addendum attached thereto as Addendum B (the “Addendum B”) (collectively, the “Agreement”).

II. NOTICE OF GRANT

Name:

The undersigned Participant has been granted an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and the Agreement, as follows (each of the following capitalized terms are defined terms having the meaning indicated below):

Date of Grant

Number of Restricted Stock Units

Vesting Date

Vesting Schedule: One-third on each of the first, second and third anniversary of the Vesting Date

Time-Based Vesting Criteria The RSUs will vest pursuant to the Vesting Schedule noted above.

III. AGREEMENT

1. Grant of RSUs. Vontier Corporation (the “Company”) hereby grants to the Participant named in this Notice of Grant (the “Participant”), an Award of Restricted Stock Units (“RSUs”) subject to the terms and conditions of the Agreement and the Plan, which are incorporated herein by reference. In the event of a conflict between the terms and conditions of the Plan and the Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in the Agreement or in the Plan, with respect to each Tranche of RSUs granted under this Agreement (a “Tranche” consists of all RSUs as to which the Time-Based Vesting Criteria are scheduled to be satisfied on the same date), the Tranche shall not vest unless (i) the Participant continues to be actively employed with the Company or an Eligible Subsidiary for the period required to satisfy the Time-Based Vesting Criteria applicable to

such Tranche (the date on which the Time-Based Vesting Criteria applicable to a Tranche are scheduled to be satisfied is the “Time-Based Vesting Date”), and (ii) the Performance Objective applicable to such RSUs, if any, is satisfied on or prior to the Time-Based Vesting Date. Vesting shall be determined separately for each Tranche. The Performance Objective (if any) and Time-Based Vesting Criteria applicable to any Tranche are collectively referred to as “Vesting Conditions,” and the date upon which all Vesting Conditions applicable to that Tranche are satisfied is referred to as the “Vesting Date” for such Tranche. The Vesting Conditions shall be established by the Compensation Committee (the “Committee”) of the Company’s Board of Directors (or by one or more members of Company management, if such power has been delegated in accordance with the Plan and applicable law) and reflected in the account maintained for the Participant by an external third party administrator of the RSU awards. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law the Committee shall have discretion to provide that the vesting of the RSUs shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Participant returns to active employment.

(b) Performance Objective. The Committee shall determine whether the Performance Objective applicable to an RSU, if any, has been met, and such determination shall be final and conclusive. Until the Committee has made such a determination, the Performance Objective (if any) may not be considered to have been satisfied. Notwithstanding any determination by the Committee that the Performance Objective (if any) has been attained with respect to a particular Tranche, such Tranche shall not be considered to have vested unless and until the Participant has satisfied the Time-Based Vesting Criteria applicable to such Tranche.

(c) Fractional RSU Vesting. In the event the Participant is vested in a fractional portion of an RSU (a “Fractional Portion”), such Fractional Portion will be rounded up and converted into a whole share of Common Stock (“Share”) and issued to the Participant.

(d) Addenda. The provisions of Addendum A (if any) and Addendum B are incorporated by reference herein and made a part of the Agreement, and to the extent any provision in Addendum A (if any) or Addendum B conflicts with any provision set forth elsewhere in the Agreement (including without limitation any provisions relating to Retirement), the provision set forth in Addendum A (if any) or Addendum B shall control.

3. Form and Timing of Payment; Conditions to Issuance of Shares.

(a) Form and Timing of Payment. The award of RSUs represents the right to receive a number of Shares equal to the number of RSUs that vest pursuant to the Vesting Conditions. Unless and until the RSUs have vested in the manner set forth in Sections 2 and 4, the Participant shall have no right to payment of any such RSUs. Prior to actual issuance of any Shares underlying the RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Subject to the other terms of the Plan and the Agreement, any Tranche that vests in accordance with Sections 2 and 4 will be paid to the Participant in whole Shares within 90 days of the Vesting Date for that Tranche, but in any event no later than March 15 of the year following the year in which such Vesting Date occurs. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities

laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Committee may require the Participant to take any reasonable action in order to comply with any such rules or regulations.

(b) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon vesting of an RSU, the Committee may require that the Participant agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the RSUs are registered under the Securities Act. The Committee may also require the Participant to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Participant acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

4. Termination of Employment.

(a) General. In the event the Participant's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates for any reason (other than death, Early Retirement, Enhanced Retirement or Full Retirement), all RSUs that are unvested as of termination shall automatically terminate as of the date of termination and the Participant's right to receive further RSUs under the Plan shall also terminate as of the date of termination.

For purposes of the RSUs, the Participant's employment will be considered terminated as of the date the Participant is no longer actively providing services to the Company or an Eligible Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment or service agreement, if any). The Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. The Participant's active employer-employee or other active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include any contractual notice period, a period of "garden leave", paid administrative leave or similar period mandated under employment laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment or service agreement, if any). Unless the Committee provides otherwise (1) termination of the Participant's employment will include instances in which the Participant is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Participant's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Participant's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) Death. Upon the Participant's death, a pro rata amount of each unvested Tranche shall become vested based on the number of complete twelve-month periods between the Date of Grant and the date of the Participant's death divided by the total number of twelve-month periods between the Date of Grant and the Time-Based Vesting Date applicable to such Tranche. Notwithstanding anything in the Plan or the Agreement to the contrary, for purposes of this Section, any partial twelve-month period between the Date of Grant and the date of death shall be considered a complete twelve-month period and

any Fractional Portion that results from applying the pro rata methodology shall be rounded up to a whole Share.

(c) Retirement.

(i) *Early Retirement.* If the Participant's active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Early Retirement, then, unless contrary to applicable law, with respect to each Tranche that is unvested as of the Early Retirement date, a pro-rata portion of such Tranche shall remain outstanding and will vest as of the Time-Based Vesting Date for such Tranche, but if and only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. The pro-rata portion of each unvested Tranche that shall continue vesting shall be determined by multiplying (1) the total number of RSUs in such Tranche by (2) the quotient of (A) the number of full or partial months worked by the Participant from the Date of Grant to the Early Retirement date, divided by (B) the total number of months in the original time-based vesting schedule of the Tranche (the "Retirement Proration Quotient"), provided that the Retirement Proration Quotient shall never be greater than 1.0. "Early Retirement" shall mean the Participant's voluntary termination of employment on or after attainment of age fifty-five (55) at a time when the Participant's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to sixty-five (65).

(ii) *Enhanced Retirement.* In the event the Participant's active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Enhanced Retirement, then, unless contrary to applicable law, the Participant shall become vested in a pro-rata portion of each Tranche that is unvested as of the Enhanced Retirement date, but if any only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. Such pro-rata portion of each Tranche that shall continue vesting shall be determined by multiplying (1) the total number of RSUs in such Tranche by (2) the Retirement Proration Quotient assuming for purposes of such formula that the Participant's termination of employment occurred on the one year anniversary of the Participant's Enhanced Retirement date, provided that the Retirement Proration Quotient shall never be greater than 1.0. "Enhanced Retirement" shall mean the Participant's voluntary termination of employment on or after attainment of age sixty (60) at a time when the sum of the Participant's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to seventy (70).

(iii) *Full Retirement.* Upon termination of employment by reason of the Participant's Full Retirement, unless contrary to applicable law, with respect to each Tranche that is unvested as of the Full Retirement date, such Tranche will vest in full as of the Time-Based Vesting Date for such Tranche, but if and only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. "Full Retirement" shall mean the Participant's voluntary termination of employment, either (1) on or after attainment of age sixty-two (62) at a time when the sum of the Participant's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to eighty (80) or (2) Normal Retirement.

(iv) Notwithstanding the foregoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in the Participant's jurisdiction that likely would result in the favorable Retirement treatment (including Early Retirement, Enhanced Retirement or Full Retirement) that otherwise would apply to the RSUs pursuant to this Section 4(c) being deemed unlawful, then the Company will not apply the favorable Retirement treatment at the time

of the Participant's termination of service or employment and the RSUs will be treated as they would under the rules that otherwise would have applied if the Participant did not qualify for Retirement pursuant to this Section 4(c).

(d) Gross Misconduct. If the Participant's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct, the Participant's unvested RSUs shall automatically terminate as of the time of termination without consideration. The Participant acknowledges and agrees that the Participant's termination of employment shall also be deemed to be a termination of employment by reason of the Participant's Gross Misconduct if, after the Participant's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(e) Violation of Post-Employment Covenant. To the extent that any of the Participant's RSUs remain outstanding under the terms of the Plan or the Agreement after termination of the Participant's employment or service with the Company or an Eligible Subsidiary, such RSUs shall expire as of the date the Participant violates any covenant not to compete or other post-employment covenant that exists between the Participant on the one hand and the Company or any subsidiary of the Company, on the other hand.

(f) Substantial Corporate Change. Upon a Substantial Corporate Change, the Participant's unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

5. Non-Transferability of RSUs. Unless the Committee determines otherwise in advance in writing, RSUs may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution. The terms of the Plan and the Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Participant.

6. Amendment of RSUs or Plan.

(a) The Plan and the Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. The Participant expressly warrants that he or she is not accepting the Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or any award in any respect at any time; provided, however, that modifications to the Agreement or the Plan that materially and adversely affect the Participant's rights hereunder can be made only in an express written contract signed by the Company and the Participant. Notwithstanding anything to the contrary in the Plan or the Agreement, the Company reserves the right to revise the Agreement and the Participant's rights under outstanding RSUs as it deems necessary or advisable, in its sole discretion and without the consent of the Participant, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this Award.

(b) The Participant acknowledges and agrees that if the Participant changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion reduce or eliminate the Participant's unvested RSUs.

7. Responsibility for Taxes.

(a) Withholding Taxes. Regardless of any action the Company or any Subsidiary employing the Participant (the "Employer") takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items ("Tax Related Items"), the Participant acknowledges that the ultimate liability for all Tax Related Items associated with the RSUs is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant or vesting of the RSUs, the delivery of the Shares, the subsequent sale of Shares acquired at vesting and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant's liability for Tax Related Items. Further, if the Participant is subject to tax in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Participant shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations for Tax Related Items of the Company and/or the Employer. In this regard, the Participant authorizes the Company and the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by the Participant (with respect to the RSUs granted hereunder as well as any equity awards previously received by the Participant under any Company stock plan) by one or a combination of the following: (i) requiring the Participant to pay Tax Related Items in cash with a cashier's check or certified check or by wire transfer of immediately available funds; (ii) withholding cash from the Participant's wages or other compensation payable to the Participant by the Company and/or the Employer; (iii) arranging for the sale of Shares otherwise issuable to the Participant upon payment of the RSUs (on the Participant's behalf and at the Participant's direction pursuant to this authorization), including the sale of Shares prior to such scheduled payment date; (iv) withholding from the proceeds of the sale of Shares acquired upon payment on the RSUs; (v) withholding in Shares otherwise issuable to the Participant, provided that the Company withholds only the amount of Shares necessary to satisfy the statutory withholding amount (or such other amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity) using the Fair Market Value of the Shares on the date of the relevant taxable event; or (vi) any method determined by the Committee to be in compliance with applicable laws.

Depending on the withholding method, the Company and/or Employer may withhold or account for Tax Related Items by considering applicable statutory withholding rates or other applicable withholding rates, including maximum rates applicable in the Participant's jurisdiction, in which case the Participant may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related Items is satisfied by withholding in Shares, for tax purposes, the Participant is deemed to have been issued the full number of Shares subject to the vested

RSUs, notwithstanding that a number of Shares is held back solely for purposes of paying the Tax Related Items.

The Participant agrees to pay to the Company or the Employer any amount Tax Related Items that the Company and/or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver to the Participant any Shares or proceeds from the sale of Shares if the Participant fails to comply with the Participant's obligations in connection with the Tax Related Items.

(b) Code Section 409A. The intent of the parties is that payments and benefits under the Agreement comply with Section 409A of Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Agreement shall be interpreted and be administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Participant shall not be considered to have separated from service with the Company for purposes of the Agreement and no payment shall be due to the Participant under the Agreement on account of a separation from service until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Any payments described in the Agreement that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Agreement, to the extent that any amounts are payable upon a separation from service and such payment would result in accelerated taxation and/or tax penalties under Section 409A of the Code, such payment, under the Agreement or any other agreement of the Company, shall be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). The Company makes no representation that any or all of the payments described in the Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

For purposes of making a payment under the Agreement, if any amount is payable as a result of a Substantial Corporate Change, then to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, such event must also constitute a "change in ownership or effective control" of the Company or a "change in the ownership of a substantial portion of the assets" of the Company within the meaning of Section 409A.

8. Nature of Grant. In accepting the RSUs, the Participant acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the award of RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future awards of RSUs or benefits in lieu of RSUs or other equity awards, even if RSUs have been awarded in the past;

(c) all decisions with respect to future equity awards, if any, will be at the sole discretion of the Company;

(d) the Participant's participation in the Plan is voluntary;

(e) the award of RSUs and Shares subject to the RSUs, and the income from and value of same, are an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of Participant's employment or service contract, if any;

(f) the award of RSUs and Shares subject to the RSUs, and the income and value of same, are not intended to replace any pension rights or compensation;

(g) the award of RSUs and Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;

(h) unless otherwise expressly agreed with the Company, the RSUs and Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, any service the Participant may provide as a director of any Subsidiary;

(i) the future value of the underlying Shares is unknown and cannot be predicted with certainty;

(j) the value of the Shares acquired upon vesting/settlement of the RSUs may increase or decrease in value;

(k) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the RSUs or Shares upon vesting of the RSUs resulting from termination of the Participant's employment or continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any);

(l) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Participant pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon vesting;

(m) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan or the Participant's acquisition or sale of the underlying Shares; and

(n) the Participant should consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

9. Rights as Shareholder. Until all requirements for vesting of the RSUs pursuant to the terms of the Agreement and the Plan have been satisfied, the Participant shall not be deemed to be a shareholder of the Company, and shall have no dividend rights or voting rights with respect to the RSUs or any Shares underlying or issuable in respect of such RSUs until such Shares are actually issued to the Participant.

10. No Employment Contract. Nothing in the Plan or the Agreement constitutes an employment contract between the Company and the Participant and the Agreement shall not confer upon the Participant any right to continuation of employment or service with the Company or any of its Subsidiaries, nor shall the Agreement interfere in any way with the Company's or any of its Subsidiaries right to terminate the Participant's employment or service at any time, with or without cause (subject to any employment agreement a Participant may otherwise have with the Company or a Subsidiary thereof and/or applicable law).

11. Board Authority. The Board and/or the Committee shall have the power to interpret the Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any RSUs have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Participant, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether Plan participants are similarly situated. No member of the Board and/or the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Agreement.

12. Headings. The captions used in the Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the RSUs for construction and interpretation.

13. Electronic Delivery.

(a) If the Participant executes the Agreement electronically, for the avoidance of doubt, the Participant acknowledges and agrees that his or her execution of the Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of the Agreement in paper form. The Participant acknowledges that upon request of the Company he or she shall also provide an executed paper form of the Agreement.

(b) If the Participant executes the Agreement in paper form, for the avoidance of doubt, the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Participant executes the Agreement multiple times (for example, if the Participant first executes the Agreement in electronic form and subsequently executes the Agreement in paper form), the Participant acknowledges and agrees that (i) no matter how many versions of the Agreement are executed and in whatever medium, the Agreement only evidences a single award relating to the number of RSUs set forth in the Notice of Grant and (ii) the Agreement shall be effective as of the earliest execution of the Agreement by the parties, whether in paper form or electronically, and the subsequent execution of the Agreement in the same or a different medium shall in no way impair the binding legal effect of the Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the RSUs, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Participant pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing the Agreement, the Participant hereby consents to receive such documents by electronic delivery. At the Participant's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Participant.

14. **Data Privacy Notice and Consent.**

(a) By accepting the RSUs, the Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in the Agreement by and among, as applicable, the Employer, the Company and its other Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.

(b) The Participant understands that the Company, the Employer and other Subsidiaries may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social security number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Participant's favor ("Data"), for the purpose of implementing, administering and managing the Plan.

(c) The Participant understands that Data will be transferred to Fidelity Stock Plan Services LLC, or such other stock plan service provider as may be selected by the Company in the future, which assist in the implementation, administration and management of the Plan. The Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that if he or she resides outside the United States, the Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Fidelity Stock Plan Services LLC and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon vesting of the RSUs may be deposited. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that if the Participant resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Participant's local human resources representative. Further, the Participant understands that he

or she is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke his or her consent, the Participant's employment status with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant RSUs or other equity awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that he or she may contact his or her local human resources representative.

(d) Upon request of the Company or the Employer, the Participant agrees to provide a separate executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Participant for the purpose of administering the Participant's participation in the Plan in compliance with the data privacy laws in the Participant's country, either now or in the future. The Participant understands and agrees that he or she will not be able to participate in the Plan if the Participant fails to provide any such consent or agreement requested by the Company and/or the Employer.

15. Waiver of Right to Jury Trial. Each party, to the fullest extent permitted by law, waives any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising with respect to the RSUs or hereunder, or the rights, duties or liabilities created hereby.

16. Agreement Severable. In the event that any provision of the Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of the Agreement.

17. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern the Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the RSUs, the Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, the Agreement or any award must be commenced by the Participant within twelve (12) months of the earliest date on which the Participant's claim first arises, or the Participant's cause of action accrues, or such claim will be deemed waived by the Participant.

18. Language. If the Participant has received the Plan, the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by applicable law. The Participant acknowledges that the Participant is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of the Agreement and the Plan.

19. Severability. The provisions of the Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

20. Waiver. Participant acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other participant.

21. Insider Trading/Market Abuse Laws. The Participant acknowledges that, depending on the Participant's or the Participant's broker's country of residence or where the Company Shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Company Shares, rights to the Shares (e.g., RSUs) or rights linked to the value of the Shares (e.g., phantom awards, futures) during such times as the Participant is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment or orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult with his or her own personal legal and financial advisors on this matter.

22. Foreign Asset/Account Reporting Requirements and Exchange Controls. The Participant's country may have certain foreign asset and/or foreign account reporting requirements and exchange controls which may affect the Participant's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including any dividends paid on Shares, sale proceeds resulting from the sale of Shares acquired under the Plan) in a brokerage or bank account outside the Participant's country. The Participant may be required to report such accounts, assets, or transactions to the tax or other authorities in the Participant's country. The Participant may be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant should consult his or her personal legal advisor for any details.

23. Addendum B. Notwithstanding any provisions in the Agreement, the RSUs and any Shares subject to the RSUs shall be subject to any special terms and conditions for the Participant's country of employment and country of residence, if different, as set forth in Addendum B. Moreover, if the Participant relocates to one of the countries including in Addendum B, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the RSUs (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). Addendum B constitutes part of the Agreement.

24. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the RSUs and on any Shares subject to the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense to the Company, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

25. **Recoupment.** The RSUs granted pursuant to the Agreement are subject to the terms of any compensation recoupment policy that may be adopted by the Company and in effect from time to time (the “Policy”) if and to the extent such Policy by its terms applies to the RSUs, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant’s behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant’s Shares and other amounts acquired pursuant to the Participant’s RSUs, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company’s enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

26. **Notices.** The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Participant regarding certain events relating to awards that the Participant may have received or may in the future receive under the Plan, such as notices reminding the Participant of the vesting or expiration date of certain awards. The Participant acknowledges and agrees that (1) the Company has no obligation (whether pursuant to the Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Participant the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Participant has no right whatsoever (whether pursuant to the Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Participant as a result of the Company’s failure to provide any such notices or the Participant’s failure to receive any such notices.

27. **Consent and Agreement With Respect to Plan.** The Participant (a) acknowledges that the Plan and the prospectus relating thereto are available to the Participant on the website maintained by the Company’s third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing the Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts these RSUs subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2020 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of the Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Participant that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of the Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or the Agreement.

[If the Agreement is signed in paper form, complete and execute the following:]

PARTICIPANT

Signature

Print Name

ADDENDUM A
VONTIER CORPORATION
2020 STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

This Addendum includes additional terms and conditions applicable to the Participant's RSUs granted if the Participant resides in one of the countries listed below. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Notice of Grant, the Agreement or the Plan.

This Addendum may also include information regarding exchange controls, tax and certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect as of September 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant not rely on the information contained herein as the only source of information relating to the consequences of the Participant's participation in the Plan because the information may be out of date at the time Participant vests in the RSUs or sells the Shares acquired under the Plan.

In addition, the information contained herein in general in nature and may not apply to the Participant's particular situation, and the Company is not in a position to assure the Participant of any particular result. **Accordingly, the Participant should seek appropriate professional advice as to how the relevant laws in Participant's country apply to the Participant's specific situation.**

If the Participant is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Participant is currently residing and/or working, or if the Participant transfers employment and/or residency to another country after the grant of the RSUs, the information contained herein may not be applicable to the Participant in the same manner.

PARTICIPANTS IN THE EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA")

1. Data Privacy. If the Participant resides and/or is employed in the EU / EEA, the following provision replaces Section 14 of the Agreement:

The Company is located at 5438 Wade Park Blvd, Raleigh, NC 27607, United States of America and grants RSUs under the Plan to employees of the Company and its Subsidiaries in its sole discretion. The Participant should review the following information about the Company's data processing practices.

(a) Data Collection, Processing and Usage. Pursuant to applicable data protection laws, the Participant is hereby notified that the Company collects, processes, and uses certain personally-identifiable information about the Participant; specifically, including the Participant's name, home address, email address and telephone number, date of birth, social insurance number or other number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all RSUs or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Employer. In granting the RSUs under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares and implementing, administering and managing the Plan. The Company collects, processes and

uses the Participant's personal data pursuant to the Company's legitimate interest of managing the Plan and generally administering employee equity awards and to satisfy its contractual obligations under the terms of the Agreement. The Participant's refusal to provide personal data may affect the Participant's ability to participate in the Plan. As such, by participating in the Plan, the Participant voluntarily acknowledges the collection, processing and use, of the Participant's personal data as described herein.

(b) Stock Plan Administration Service Provider. The Company transfers participant data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Participant's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.

(c) International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. The Company can only meet its contractual obligations to the Participant if the Participant's personal data is transferred to the United States. Where a legally recognized safeguard is required in order to transfer Participant's Data outside of its originating territory, the Company will rely on standard contractual clauses adopted and approved by the European Commission or other governing body with competent jurisdiction. Where no such clauses are in place between the exporting and importing entities, then the transfer shall be a necessary restricted transfer in connection with the performance of a contract to which the data subject is a party.

(d) Data Retention. The Company will use the Participant's personal data only as long as is necessary to implement, administer and manage the Participant's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Participant's personal data, the Company will remove it from its systems. If the Company keeps the Participant's data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) Data Subjects Rights. The Participant may have a number of rights under data privacy laws in the Participant's country of residence. For example, the Participant's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Participant's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Participant's personal data. To receive clarification regarding the Participant's rights or to exercise his or her rights, the Participant can consult his or her employing entity's Staff-Facing Privacy Notice or contact his or her local human resources representative.

PARTICIPANTS IN ARGENTINA

Labor Law Acknowledgement

In accepting the RSUs, the Participant acknowledges and agrees that the grant of the RSUs is made by the Company (and not the Employer) in its sole discretion, and that the value of the RSUs or any Shares acquired under the Plan shall not constitute salary or wages for any purpose under Argentine labor law, including, but not limited to, the calculation of (a) any labor benefits including, without limitation, vacation pay, thirteenth salary, compensation in lieu of notice, annual bonus, disability, and leave of absence payments, etc., or (b) any termination or severance indemnities or similar payments. If, notwithstanding the foregoing, any benefits under the Plan are considered as salary or wages for any purpose under Argentine labor law, the Participant acknowledges and agrees that such benefits shall not accrue more frequently than on the relevant Vesting Date(s). Further, the Participant acknowledges and agrees that, for all legal purposes, the RSUs and the underlying Shares are the result of commercial transactions unrelated to the Participant's employment and is not part of the terms and conditions of the Participant's employment.

Language Consent

By accepting the RSUs, the Participant acknowledges that the Participant is proficient in reading and understanding English and fully understands the terms of the documents related to the RSUs (the Agreement, this Addendum and the Plan), which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Securities Law Notice

The Participant understands that neither the grant of the RSUs nor Shares to be issued pursuant to the RSUs constitute a public offering as defined by the Law N° 17,811, or any other Argentine law. The offering of the RSUs is a private placement and the underlying Shares are not listed on any stock exchange in Argentina.

Foreign Asset/Account Reporting Information

If the Participant holds Shares as of December 31 of any year, the Participant is required to report the holding of Shares on his or her personal tax return for the relevant year.

Exchange Control Notice

Exchange control regulations in Argentina are subject to frequent change. The Participant is solely responsible for complying with any and all Argentine currency exchange restrictions, approvals and reporting requirements in connection with the vesting and settlement of the award, the subsequent sale of any Shares acquired pursuant to the award and the receipt of any dividends paid on such Shares.

PARTICIPANTS IN AUSTRALIA

Tax Information

The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the “Act”) applies (subject to the conditions in that Act).

Securities Law Information

The grant of the RSUs is being made pursuant to Division 1A, Part 7.12 of the Corporations Act 2001 (Cth).

Exchange Control Notice

Exchange control reporting is required for cash transactions exceeding A\$10,000 and international fund transfers of any amount. The Australian bank assisting with the transaction will file the report for the Participant. If there is no Australian bank involved in the transfer, the Participant will be responsible for filing the report.

PARTICIPANTS IN BELGIUM

Foreign Asset/Account Reporting Information

Belgian residents are required to report any security (e.g., the Shares acquired under the Plan) or bank accounts (including brokerage accounts) opened and maintained outside of Belgium on their annual tax return. The Participant will also be required to complete a separate report providing the National Bank of Belgium with details regarding any such account (including the account number, the name of the bank in which such account is held and the country in which such account is located). This report, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under *Kredietcentrales / Centrales des crédits* caption.

Stock Exchange Tax

A stock exchange tax applies to transactions executed by a Belgium resident through a non-Belgian financial intermediary. The stock exchange tax likely will apply when Shares are sold. *The Participant should consult with his or her personal tax advisor for additional details on the Participant's obligations with respect to the stock exchange tax.*

Broker Account Tax Information

Belgian residents are subject to a brokerage account tax if the average annual value of securities (including Shares acquired under the Plan) held by such resident in a brokerage account exceeds certain thresholds. As the calculation of this tax is complex, the Participant should consult with the Participant's personal tax or financial advisor for details on the applicability of this tax.

PARTICIPANTS IN BRAZIL

Labor Law Policy and Acknowledgement

This provision supplements Section 8 of the Agreement:

By accepting the RSUs, the Participant agrees that he or she is (i) making an investment decision; (ii) the Shares will be issued to the Participant only if the Vesting Conditions are met and (iii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

Compliance with Law

By accepting the RSUs, the Participant acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting of the RSUs, and the sale of the Shares acquired under the Plan and the receipt of any dividends.

Securities Law Notice

The RSUs and the securities granted under the Plan have not been and will not be publicly issued, placed, distributed, offered or negotiated in the Brazilian capital markets and, as a result, will not be registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, the CVM). Therefore, the RSUs and the securities granted under the RSUs will not be offered or sold in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation under the Brazilian capital markets regulation.

Foreign Asset/Account Reporting Information

If the Participant is a resident or domiciled in Brazil and holds assets and rights outside Brazil with an aggregated value exceeding US\$1,000,000, but less than US\$100,000,000 the Participant will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights. If the aggregate value of the assets and rights outside Brazil exceeds \$100,000,000, a declaration must be submitted quarterly. Assets and rights that must be reported include the Shares acquired under the Plan. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than US\$1,000,000 are not required to submit a declaration. Please note that the US\$1,000,000 threshold may be changed annually.

Tax on Financial Transactions (IOF)

Payments to foreign countries and repatriation of funds into Brazil, and the conversion between BRL and USD associated with such fund transfers, may be subject to the Tax on Financial Transaction. It is the Participant's responsibility to comply with any applicable Tax on Financial Transaction arising from participation in the Plan. *The Participant should consult with his or her personal tax advisor for additional details.*

PARTICIPANTS IN CANADA

RSUs Payable Only in Shares

RSUs granted to Participants in Canada shall be paid in Shares only. In no event shall any of the RSUs be paid in cash, notwithstanding any discretion contained in the Plan, or any provision in the Agreement to the contrary.

Termination of Employment

The following provision replaces the second paragraph of Section 4 of the Agreement:

For purposes of the RSUs, the Participant's employment will be considered terminated as of the date that is the earlier of (1) the date of termination of the participant's employer-employee or service-providing relationship; (2) the date on which the Participant receives written notice of termination; or (3) the date the Participant is no longer actively employed or actively providing services to the Company or an Eligible Subsidiary regardless of any notice period or period of pay in lieu of such notice mandated under applicable laws (including, but not limited to, statutory law and/or common law); the Committee shall have discretion to determine whether the Participant has ceased to be actively employed by (or, if the Participant is a consultant or director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued vesting during a statutory notice period, the Participant's right to vest in the RSUs, if any, will terminate effective upon the expiry of the minimum statutory notice period, but the Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of the statutory notice period, nor will the Participant be entitled to any compensation for lost vesting. In any event, if employment standards legislation explicitly requires continued vesting during a statutory notice period, then the additional vesting provided under Section 4 is deemed to be inclusive of any entitlements that arise during the applicable statutory notice period.

Nature of Grant. The following provision replaces Section 8(k) of the Agreement:

- (k) in consideration of the award of RSUs, no claim or entitlement to compensation or damages shall arise from termination of the award or from any diminution in value of the RSUs or Shares upon vesting of the RSUs resulting from termination of the Participant's employment or continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not in breach of applicable labor laws of the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), except to the extent explicitly and minimally required under employment standards legislation;

The following two provisions apply if the Participant is a resident of Quebec:

French Language Documents

A French translation of the Agreement, the Addendum, the Plan and certain other documents related to the RSUs will be made available to the Participant as soon as reasonably practicable following the Participant's written request. The Participant understands that, from time to time, additional information related to the RSUs may be provided in English and such information may not be immediately available in French. However, upon request, the Company will provide a translation of such information into French as soon as reasonably practicable. Notwithstanding anything to the contrary in the Agreement, and unless the Participant indicates otherwise, the French translation of this document and certain other documents related to the RSUs will govern the Participant's RSUs and the Participant's participation in the Plan.

Data Privacy

The following provision supplements Section 14 of the Agreement:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Participant's awards under the Plan. Participant further authorizes the Company, its Subsidiaries, and the Stock Plan Administrator, to disclose and discuss the Participant's participation in the Plan with their respective advisors. The Participant further authorizes the Company and its Subsidiaries to record such information and to keep such information in his or her employee file. The Participant acknowledges and agrees that the Participant's personal information, including any sensitive personal information, may be transferred or disclosed outside the province of Quebec, including to the U.S. If applicable, the Participant also acknowledges and authorizes the Company, its Subsidiaries, the Stock Plan Administrator of the Plan and any third party brokers/administrators that are assisting the Company with the operation and administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on the Participant or the administration of the Plan.

Securities Law Notice

The Participant is permitted to sell the Shares acquired through the Plan through the designated broker appointed under the Plan, if any (or any other broker acceptable to the Company), provided the resale of the Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares is listed. The Shares are currently listed on the New York Stock Exchange.

Foreign Asset/Account Reporting Information

Foreign property, including RSUs, the Shares acquired under the Plan, and other rights to receive shares of a non-Canadian company held by a Canadian resident must generally be reported annually on a Form T1135 (Foreign Income Verification Statement) if the total cost of the foreign property exceeds C\$100,000 at any time during the year. Thus, such unvested RSUs must be reported – generally at a nil cost – if the C\$100,000 cost threshold is exceeded because the Participant holds other foreign property. When the Shares are acquired, their cost generally is the adjusted cost base ("ACB") of the shares. The ACB would ordinarily equal the fair market value of the Shares at the time of acquisition, but if the Participant owns other shares of the same company, this ACB may need to be averaged with the ACB of the other shares. The Participant should consult his or her personal legal advisor to ensure compliance with applicable reporting obligations.

PARTICIPANTS IN CHILE

Securities Law Notice

The offer of RSUs constitutes a private offering of securities in Chile effective as of Grant Date. This offer of RSUs is made subject to general ruling No. 336 of the Chilean Commission for the Financial Market ("CMF"). The offer refers to securities not registered at the securities registry or at the foreign securities register of the CMF. Given that the RSUs are not registered in Chile, the Company is not required to provide public information about the RSUs or the Shares in Chile. Unless the RSUs and/or the Shares are registered with the CMF, a public offering of such securities cannot be made in Chile.

Esta oferta de Unidades de Acciones Restringidas ("RSU") constituye una oferta privada de valores en Chile y se inicia en la Fecha de la Concesión. Esta oferta de RSU se acoge a las disposiciones de la Norma de Carácter General N° 336 ("NCG 336") de la Comisión para el Mercado Financiero ("CMF"). Esta oferta versa sobre valores no inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la CMF, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse los RSU de valores no registrados en Chile, no existe obligación por parte de la Compañía

de entregar en Chile información pública respecto de los RSU o sus Acciones. Estos valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente.

Exchange Control Notice

Chilean residents are not required to repatriate proceeds obtained from the sale of shares or from dividends to Chile; however, if the Participant decides to repatriate proceeds from the sale of shares and/or dividends and the amount exceeds US\$10,000, the Participant must effect such repatriation through the Former Exchange Market (*i.e.*, commercial bank or registered foreign exchange office in Chile). If the Participant does not repatriate the proceeds and uses such proceeds for the payment of other obligations contemplated under a different Chapter of the Foreign Exchange Regulations, the Participant must sign Annex 1 of the Manual of Chapter XII of the Foreign Exchange Regulations and file it directly with the Central Bank within the first ten (10) days of the month following the transaction.

If the Participant's aggregate investments held outside of Chile exceeds US\$5,000,000 (including the value of the Shares acquired under the Plan), the Participant must report the investments to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Please note that exchange control regulations in Chile are subject to change. The Participant should consult with his or her personal legal advisor regarding any exchange control obligations that the Participant may have prior to the vesting of the RSUs.

Foreign Asset/Account Reporting Information

The Chilean Internal Revenue Service ("CIRS") requires all taxpayers to provide information annually regarding: (i) any taxes paid abroad which taxpayers will use as a credit against Chilean income tax, and (ii) the results of investments held abroad. The sworn statements disclosing this information (or *Formularios*) must be submitted electronically through the CIRS website at www.sii.cl, using Form 1929, which is due on June 30 each year, depending on the assets and/or taxes being reported.

PARTICIPANTS IN CHINA

Exchange Control Restrictions Applicable to Participants who are PRC Nationals

If the Participant is a local national of the People's Republic of China ("PRC"), the Participant agrees and acknowledges that upon RSU vesting the underlying Shares may be sold immediately or, at the Company's discretion, at a later time. The Participant further agrees that the Company is authorized to instruct its designated broker to assist with the mandatory sale of such Shares (on Participant's behalf pursuant to this authorization), and the Participant expressly authorizes such broker to complete the sale of such Shares. The Participant acknowledges that the Company's designated broker is under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the Company agrees to pay the cash proceeds from the sale, less any brokerage fees or commissions, to the Participant in accordance with applicable exchange control laws and regulations and provided any liability for Tax Related Items resulting from the vesting of the RSUs has been satisfied. Due to fluctuations in the Share price and/or the U.S. Dollars exchange rate between the Vesting Date and (if later) the date on which the Shares are sold, the sale proceeds may be more or less than the market value of the Shares on the Vesting Date. The Participant understands and agrees that the Company is not responsible for the amount of any loss the Participant may incur and that the Company assumes no liability for any fluctuations in the Share price and/or U.S. Dollars exchange rate.

The Participant understands and agrees that, due to exchange control laws in China, the Participant will be required to immediately repatriate to China the cash proceeds from the sale of any Shares acquired at vesting of the RSUs and any dividends received in relation to the Shares. Participant further understands that, under local law, such repatriation of the cash proceeds may need to be effectuated through a special exchange control account to be approved by the local foreign exchange administration, and the Participant hereby consents and agrees that the proceeds from the sale of the Shares acquired under the Plan and any dividends received in relation to the Shares may be transferred to such special account prior to being delivered to the Participant. The proceeds may be paid to the Participant in U.S. Dollars or local currency at the Company's discretion. In the event the proceeds are paid to the Participant in U.S. Dollars, the Participant understands that he or she will be required to set up a U.S. Dollar bank account in China and provide the bank account details to the Employer and/or the Company so that the proceeds may be deposited into this account. In addition, the Participant understands and agrees that the Participant will be responsible for converting the proceeds into Renminbi Yuan at the Participant's expense.

If the proceeds are paid to the Participant in local currency, the Participant agrees to bear any currency fluctuation risk between the time the Shares are sold or dividends are paid and the time the proceeds are distributed to the Participant through any such special account. The Participant agrees to bear any currency fluctuation risk between the time the Shares are sold or dividends are received and the time the proceeds are distributed through any such special exchange account.

Exchange Control Notice Applicable to Participants in the People's Republic of China ("PRC")

The Participant understands that exchange control restrictions may limit the Participant's ability to access and/or convert funds received under the Plan. The Participant should confirm the procedures and requirements for withdrawals and conversions of foreign currency with his or her local bank prior to the vesting of the RSUs/sale of the Shares.

The Participant agrees to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in the Peoples' Republic of China.

Foreign Asset/Account Reporting Information

PRC residents are required to report to SAFE details of their foreign financial assets and liabilities, as well as details of any economic transactions conducted with non-PRC residents, either directly or through financial institutions. The Participant may be subject to reporting obligations for the Shares or awards acquired under the Plan and Plan-related transactions. It is the Participant's responsibility to comply with this reporting obligation and the Participant should consult his/her personal tax advisor in this regard.

PARTICIPANTS IN COLOMBIA

Labor Law Acknowledgement

The following provision supplements Section 8 of the Agreement:

The Participant acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan, the RSUs, the underlying Shares, and any related benefits do not constitute a component of the Participant's "salary" for any purpose. To this extent, they will not be included and/or considered for purposes of calculating any and all labor benefits, such as legal/fringe benefits, vacations, indemnities, payroll taxes, social insurance contributions or any other labor-related amount which may be payable.

Securities Law Notice

The Shares are not and will not be registered with the Colombian registry of publicly traded securities (*Registro Nacional de Valores y Emisores*) and, therefore, the Shares may not be offered to the public in Colombia. Nothing in the Plan, the Agreement (including this Addendum) or any other document evidencing the grant of the RSUs should be construed as making a public offer of securities in Colombia.

Exchange Control Notice

Foreign investments must be registered with the Central Bank of Colombia (*Banco de la República*). Upon the subsequent sale or other disposition of investments held abroad, the registration with the Central Bank must be canceled, the proceeds from the sale or other disposition of the Shares must be repatriated to Colombia and the appropriate Central Bank form must be filed (usually with the Participant's local bank). The Participant acknowledges that he or she personally is responsible for complying with Colombian exchange control requirements.

Foreign Asset/Account Reporting Information

An annual informative return must be filed with the Colombian Tax Office detailing any assets held abroad (including the Shares acquired under the Plan). If the individual value of any of these assets exceeds a certain threshold, each asset must be described (*e.g.*, its nature and its value) and the jurisdiction in which it is located must be disclosed. The Participant acknowledges that he or she personally is responsible for complying with this tax reporting requirement.

PARTICIPANTS IN CYPRUS

There are no country-specific provisions.

PARTICIPANTS IN DENMARK

Danish Stock Option Act

Notwithstanding any provisions in the Agreement to the contrary, the treatment of the RSUs upon the Participant's termination of employment shall be governed by the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "Stock Option Act"), as in effect at the time of the Participant's termination of employment (as determined by the Administrator, in its discretion, in consultation with legal counsel). The Participant acknowledges having received an "Employer Information Statement" in Danish, which is being provided to comply with the Stock Option Act.

Foreign Asset/Account Reporting Information

The establishment of an account holding the Shares or an account holding cash outside Denmark must be reported to the Danish Tax Administration. The form which should be used in this respect may be obtained from a local bank. These obligations are separate from and in addition to the obligations described above.

VONTIER CORPORATION
2020 STOCK INCENTIVE PLAN

EMPLOYER INFORMATION STATEMENT – DENMARK
STOCK OPTION AND / OR RESTRICTED STOCK UNIT GRANT ON

Pursuant to section 3(1) of the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the “Stock Option Act”), Vontier Corporation the “Company”) is providing you with the following information regarding the Company’s grant of a stock option (“Stock Option”) and / or restricted stock units (“RSUs”) (each an “Award”) in a separate written statement. This statement contains only the information mentioned in the Stock Option Act, while the other terms and conditions of your Award(s) are described in detail in the Vontier Corporation 2020 Stock Incentive Plan (the “Plan”), the Company Stock Option Agreement and / or the Company Restricted Stock Unit Agreement (each an “Agreement”) and the Addendum to the Agreement(s) (which form part of the Agreement(s)), all of which have been given to you.

It is stated in section 1 of the Stock Option Act that the Stock Option Act only applies to employees. “Employees” are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an Employer Information Statement to you and you will not be able to rely on this Employer Information Statement for legal purposes.

1. Date of Grant

The date of grant for the Award(s) is Grant Date.

2. Terms and Conditions of the Grants

The grant of the Award(s) is made at the sole discretion of the Board or the appropriate Committee of the Board. In its assessment, the Board (or the appropriate Committee of the Board) considered a number of factors, including (but not limited to) the Company’s performance, the projected impact of the grant on the Company’s earnings, and the value of the grants as compared to those of the Company’s comparator group of companies. The Company may decide, in its

sole discretion, not to make any grants of Stock Options and / or RSUs to you in the future. Under the terms of the Plan and the Agreement(s), you have no entitlement or claim to receive future grants of Stock Options and / or RSUs.

3. Vesting Dates

Stock Option

The Stock Option will vest in accordance with the terms of the Plan and the Agreement. Under the terms of the Agreement, the Stock Option generally will vest and become exercisable 20% per year on each anniversary of the date of grant.

RSUs

The RSUs will vest in accordance with the terms of the Plan and the Agreement. Under the terms of the Agreement, the RSUs generally will vest 33.3% per year on each anniversary of the date of grant.

4. Exercise Price

Stock Option

During the Stock Option exercise period, the Stock Option can be exercised to purchase shares of the Company's common stock at a price corresponding to the fair market value of the stock at the time of grant, as determined by the Company. For this Stock Option grant, the exercise price of the Stock Option is USD Grant Price.

RSUs

Because each RSU entitles you to receive one share of the Company's common stock on the date of vesting without any cost to you or other payment required from you, there is no exercise price associated with the RSUs.

5. Your Rights upon Termination

RSUs

In the event your active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates for any reason (other than death, Enhanced Retirement or Full Retirement), all RSUs that are unvested as of termination shall automatically terminate as of the date of termination and the your right to receive further RSUs under the Plan shall also terminate as of the date of termination. For purposes of the RSUs, your employment will be considered terminated as of the date you are no longer actively providing services to the Company or an Eligible Subsidiary (regardless of the reason for such termination)

and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment or service agreement, if any). The Committee shall have discretion to determine whether you have ceased to be actively employed by (or, if you are a consultant or director, have ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. Your active employer-employee or other active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include any contractual notice period, a period of “garden leave”, paid administrative leave or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment or service agreement, if any). Unless the Committee provides otherwise (1) termination of your employment will include instances in which you are terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of your employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that your employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

Death. Upon your death, a pro rata amount of each unvested Tranche shall become vested based on the number of complete twelve-month periods between the Date of Grant and the date of your death divided by the total number of twelve-month periods between the Date of Grant and the Time-Based Vesting Date applicable to such Tranche. Notwithstanding anything in the Plan or the Agreement to the contrary, for purposes of this Section, any partial twelve-month period between the Date of Grant and the date of death shall be considered a complete twelve-month period and any Fractional Portion that results from applying the pro rata methodology shall be rounded up to a whole Share.

Retirement.

(i) *Early Retirement.* In the event your active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Early Retirement, then, unless contrary to applicable law, with respect to each Tranche that is unvested as of the Early Retirement date, a pro-rata portion of such Tranche shall remain outstanding and will vest as of the Time-Based Vesting Date for such Tranche, but if and only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. The pro-rata portion of each unvested Tranche that shall continue vesting shall be determined by multiplying (1) the total number of RSUs in such Tranche by (2) the quotient of (A) the number of full or partial months worked from the Date of Grant to the Early Retirement date, divided by (B) the total number of months in the original time-based vesting schedule of the Tranche (the “Retirement Proration Quotient”), provided that the Retirement Proration Quotient shall never be greater than 1.0.

“Early Retirement” shall mean your voluntary termination of employment on or after attainment of age fifty-five (55) at a time when your age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to sixty-five (65).

(ii) *Enhanced Retirement.* In the event your active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Enhanced Retirement, then, unless contrary to applicable law, you shall become vested in a pro-rata portion of each Tranche that is unvested as of the Enhanced Retirement date, but if any only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. Such pro-rata portion of each Tranche that shall continue vesting shall be determined by multiplying (1) the total number of RSUs in such Tranche by (2) the Retirement Proration Quotient assuming for purposes of such formula that your termination of employment occurred on the one year anniversary of your Enhanced Retirement date, provided that the Retirement Proration Quotient shall never be greater than 1.0. “Enhanced Retirement” shall mean your voluntary termination of employment on or after attainment of age sixty (60) at a time when the sum of your age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to seventy (70).

(iii) *Full Retirement.* Upon termination of employment by reason of the your Full Retirement, unless contrary to applicable law, with respect to each Tranche that is unvested as of the Full Retirement date, such Tranche will vest in full as of the Time-Based Vesting Date for such Tranche, but if and only if the Performance Objective (if any) is satisfied on or prior to such Time-Based Vesting Date. “Full Retirement” shall mean your voluntary termination of employment, either (1) on or after attainment of age sixty-two (62) at a time when the sum of your age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to eighty (80) or (2) Normal Retirement.

Gross Misconduct. If your employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct, your unvested RSUs shall automatically terminate as of the time of termination without consideration. You acknowledge and agree that your termination of employment shall also be deemed to be a termination of employment by reason of your Gross Misconduct if, after your employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

Violation of Post-Employment Covenant. To the extent that any of your RSUs remain outstanding under the terms of the Plan or the Agreement after termination of your employment or service with the Company or an Eligible Subsidiary, such RSUs shall expire as of the date you violate any covenant not to compete or other post-employment covenant that exists between you on the one hand and the Company or any subsidiary of the Company, on the other hand.

Substantial Corporate Change. Upon a Substantial Corporate Change, your unvested RSUs will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the RSUs, or the substitution for such RSUs of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the RSUs will continue in the manner and under the terms so provided.

6. Financial Aspects of Participating in the Plan

The grant of the Award(s) has no immediate financial consequences for you. The value of the Award(s) is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary. The tax treatment of the Award(s) depends on a number of aspects and thus, you are encouraged to seek independent advice regarding your tax position.

Shares of stock are financial instruments and investing in stock will always have financial risk. The possibility of profit at the time you receive shares of stock may not only be dependent on the Company's financial development, but inter alia also on the general development of the stock market. In addition, before or after you receive shares, the shares of Company stock could decrease in value even below the price of such stock on the date of grant.

7. Other Issues

Apart from Clause 5 in this Statement (regarding your rights upon termination of employment), this Statement does not intend to alter any provisions of the Plan or the Agreement(s) (or any related document), and the Plan and the Agreement(s) (and any related document) shall prevail in case of any ambiguities. However, your mandatory rights under the Stock Option Act shall prevail in case of any ambiguities.

* * * *

Vontier Corporation

Vontier Corporation
2020 STOCK INCENTIVE PLAN

ARBEJDSGIVERERKLÆRING - DANMARK
TILDELING AF AKTIEOPTIONER OG/ELLER BETINGEDE AKTIER DEN
Grant Date

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") skal Vontier Corporation ("Selskabet") i en særskilt skriftlig erklæring give dig følgende oplysninger om Selskabets tildeling af en aktieoption ("Aktieoption") og/eller betingede aktier ("Betingede Aktier") (hver især benævnt en "Tildeling"). Denne erklæring indeholder kun de oplysninger, der er nævnt i Aktieoptionsloven, hvorimod de øvrige vilkår og betingelser for din(e) Tildeling(er) er nærmere beskrevet i *Vontier Corporation 2020 Stock Incentive Plan* ("Planen"), *Selskabet Stock Option Agreement* og/eller *Selskabet Restricted Stock Unit Agreement* (hver især benævnt en "Aftale") og i Tillægget til Aftalen/Aftalerne (som udgør en del af Aftalen/Aftalerne). Disse dokumenter er alle blevet udleveret til dig.

Det fremgår af Aktieoptionslovens § 1, at loven kun gælder for lønmodtagere. "Lønmodtagere" er defineret i Aktieoptionslovens § 2 som personer, der modtager vederlag for personligt arbejde i tjenesteforhold. Personer, herunder ledere, som ikke anses for at være lønmodtagere i Aktieoptionslovens forstand, er ikke omfattet af Aktieoptionsloven. Hvis du ikke er lønmodtager i Aktieoptionslovens forstand, er Selskabet derfor ikke forpligtet til at udstede en arbejdsgivererklæring til dig, og du vil ikke i juridisk henseende kunne henholde dig til denne arbejdsgivererklæring.

1. Tildelingstidspunkt

Tidspunktet for din modtagelse af Tildeling(er) er Grant Date.

2. Vilkår og betingelser for din(e) Tildeling(er):

Din(e) Tildeling(er) uddeles efter bestyrelsens eller det relevante bestyrelsesudvalgs eget skøn. Bestyrelsen (eller det relevante bestyrelsesudvalg) har i sin vurdering inddraget en række faktorer, herunder (men ikke begrænset til) Selskabets resultat, Tildelingernes forventede indvirkning på Selskabets indtjening og Tildelingernes værdi sammenlignet med tildelinger i sammenlignelige selskaber. Selskabet kan frit vælge fremover ikke at tildele dig nogen Aktieoptioner og/eller Betingede Aktier. I henhold til bestemmelserne i Planen og Aftalen har du ikke

hverken ret til eller krav på fremover at få tildelt Aktieoptioner og/eller Betingede Aktier.

3. Modningsdatoer

Aktieoption

Aktieoptionen modnes i overensstemmelse med vilkårene i Planen og i Aftalen. I henhold til Aftalen modnes Aktieoptionen generelt med 20% pr. år på hver årsdag for tildelingstidspunktet.

Betingede Aktier

Dine Betingede Aktier modnes i overensstemmelse med vilkårene i Planen og i Aftalen. I henhold til Aftalen modnes de Betingede Aktier generelt med 33.3% pr. år på hver årsdag for tildelingstidspunktet.

4. Udnyttelseskurs

Aktieoption

I udnyttelsesperioden kan Aktieoptionen udnyttes til køb af ordinære aktier i Selskabet til en kurs, der svarer til aktiernes markedskurs på tildelingstidspunktet som fastsat af Selskabet. For denne Tildeling er Aktieoptionens udnyttelseskurs USD Grant Price.

Betingede Aktier

Da hver Betinget Aktie giver dig ret til at modtage én ordinær aktie i Selskabet på modningstidspunktet uden omkostninger for dig eller anden betaling fra din side, er der ingen udnyttelseskurs forbundet med de Betingede Aktier.

5. Din retsstilling i forbindelse med fratræden

Betingede Aktier

Såfremt du af hvilken som helst årsag (udover død, Udvidet Fratrædelse eller Fuld Fratrædelse) ophører med aktivt at være ansat i eller i øvrigt aktivt at levere tjenester til Selskabet eller et Berettiget Datterselskab, vil alle Betingede Aktier, der ikke er modnet ved fratrædelsen, automatisk bortfalde pr. datoen for din fratrædelse, ligesom din ret til at modtage Betingede Aktier efter Planen også bortfalder pr. datoen for din fratrædelse. I den forbindelse vil du blive anset som fratrådt pr. datoen, hvor du ikke længere aktivt er ansat i eller i øvrigt aktivt leverer tjenester til Selskabet eller et Berettiget Datterselskab (uanset årsagen til fratrædelsen og uanset om fratrædelsen senere viser sig at være ugyldig eller i strid med den gældende ansættelseslovgivning i det land, hvor du er ansat, eller vilkårene i din eventuelle ansættelses- eller tjenesteydelsesaftale). Bestyrelsesudvalget har skønsbeføjelse til at afgøre, om du er ophørt med at være aktivt ansat i (eller, hvis du er konsulent eller bestyrelsesmedlem, er ophørt med aktivt at levere tjenester til) Selskabet eller et Berettiget Datterselskab, samt til at fastsætte datoen for, hvornår en sådan aktiv ansættelse (eller aktiv tjeneste-levering) ophørte. Dit aktive ansættelsesforhold eller anden aktiv tjenesteydelsesrelation vil ikke blive forlænget af nogen opsigelsesperiode fastsat efter gældende ret (f.eks. vil aktiv ansættelse ikke omfatte nogen kontraktuel opsigelsesperiode, fritstillingsperiode, betalt administrativ orlov eller lignende periode, der er hjemlet i ansættelseslovgivningen i det land, hvor du er ansat, eller i din eventuelle ansættelses- eller tjenesteydelsesaftale). Medmindre bestyrelsesudvalget bestemmer noget andet, vil fratrædelse omfatte (1) tilfælde, hvor du bliver opsagt og straks genansat som selvstændig erhvervsdrivende, og (2) udskillelse, salg eller afhændelse af din arbejdsgiver fra Selskabet eller et Berettiget Datterselskab (uanset om det sker ved overførsel af aktier, aktiver eller på anden måde), således at din arbejdsgiver ikke længere udgør et Berettiget Datterselskab.

Død. Ved din død vil en forholdsmæssig del af hver Tranche, der ikke er modnet, modnes baseret på antallet af fulde tolv-måneders perioder mellem Tildelingstidspunktet og datoen for din død divideret med det samlede antal tolv-måneders perioder mellem Tildelingstidspunktet og den Tidsbaserede Modningsdato for pågældende Tranche. Uanset hvad der står i Planen eller Aftalen, skal enhver delvis tolv-måneders periode mellem Tildelingstidspunktet og datoen for din død i denne henseende betragtes som en fuld tolv-måneders periode, og enhver brøkdel, der opstår ved anvendelse af den forholdsmæssige udregningsmetode, skal afrundes op til en hel aktie.

Fratræden.

(i) *Tidlig Fratrædelse.* Såfremt du ophører med aktivt at være ansat i eller i øvrigt aktivt at levere tjenester til Selskabet eller et Berettiget Datterselskab som følge af Tidlig Fratrædelse, vil der - medmindre andet fremgår af gældende lov - angående hver Tranche, der ikke er modnet pr. datoen for din Tidlige Fratrædelse, vedblive at være udestående en forholdsmæssig andel af sådan Tranche, og den vil modnes på den Tidsbaserede Modningsdato for sådan Tranche, men kun såfremt et evt. Performancemål er opfyldt senest på den pågældende Tidsbaserede Modningsdato. Den forholdsmæssige andel af hver umodnet Tranche, der skal fortsætte med at modnes, vil blive fastsat ved at multiplicere (1) det samlede antal Betingede Aktier i sådan Tranche med (2) kvotienten af (A) antallet af hele eller dele af måneder, du har arbejdet fra Tildelingstidspunktet til datoen for Tidlig Fratrædelse, divideret med (B) det totale antal måneder i Tranchens originale Tidsbaserede modningsplan ("Fratrædelsesfordelingskvotienten"), dog under den forudsætning, at Fratrædelsesfordelingskvotienten aldrig må overstige 1,0. "Tidlig Fratrædelse" betyder din frivillige fratrædelse i forbindelse med eller efter, at du er fyldt 55 år, samtidig med at din alder plus din anciennitet i Selskabet eller i et Berettiget Datterselskab er minimum 65 år.

(ii) *Udvidet Fratrædelse.* Såfremt du ophører med aktivt at være ansat i eller i øvrigt aktivt at levere tjenester til Selskabet eller et Berettiget Datterselskab som følge af Udvidet Fratrædelse, vil der - medmindre andet fremgår af gældende lov - fortsat ske modning af en forholdsmæssig andel af hver Tranche, der ikke er modnet pr. datoen for din Udvidede Fratrædelse, men kun såfremt et evt. Performancemål er opfyldt senest på den pågældende Tidsbaserede Modningsdato. En sådan forholdsmæssig andel af hver Tranche, der skal fortsætte med at modnes, vil blive fastsat ved at multiplicere (1) det samlede antal Betingede Aktier i en sådan Tranche med (2) Fratrædelsesfordelingskvotienten, hvor det til brug for denne beregning forudsættes, at dit ansættelsesforhold ophører på ét-årsdagen for datoen for din Udvidede Fratrædelse, dog under den forudsætning at Fratrædelsesfordelingskvotienten aldrig må overstige 1,0. "Udvidet Fratrædelse" betyder din frivillige fratrædelse i forbindelse med eller efter, at du er fyldt 60 år, samtidig med at din alder plus din anciennitet i Selskabet eller i et Berettiget Datterselskab er minimum 70 år.

(iii) *Fuld Fratrædelse.* Såfremt dit ansættelsesforhold ophører som følge af Fuld Fratrædelse, vil der - medmindre andet fremgår af gældende lov - for hver Tranche, der ikke er modnet pr. datoen for din Fulde Fratrædelse, ske en fuld modning af den pågældende Tranche pr. den Tidsbaserede Modningsdato for den pågældende Tranche, men kun såfremt et evt. Performancemål er opfyldt senest på den pågældende Tidsbaserede Modningsdato. "Fuld Fratrædelse" betyder din frivillige fratrædelse enten (1) i forbindelse med eller efter, at du er fyldt 62 år,

samtidig med at din alder plus din anciennitet i Selskabet eller i et Berettiget Datterselskab er minimum 80 år, eller (2) i forbindelse med Normal Fratrædelse som følge af pensionering.

Væsentlig Misligholdelse. Hvis dit ansættelsesforhold i Selskabet eller i et Berettiget Datterselskab ophører som følge af din Væsentlige Misligholdelse, vil dine ikke-modnede Betingede Aktier automatisk bortfalde med virkning fra datoen for ophøret uden nogen kompensation. Du anerkender og accepterer, at dit ansættelsesforholds ophør også vil blive anset for at være begrundet i din Væsentlige Misligholdelse, hvis Selskabet efter dit ansættelsesforholds ophør opdager eller får bekræftet fakta og forhold, der ville have udgjort en Væsentlig Misligholdelse og have berettiget Selskabet til at opsige ansættelsesforholdet som følge heraf.

Overtrædelse af klausuler, der er gældende efter fratrædelsen. Såfremt nogle af dine Betingede Aktier vedbliver at være udestående i henhold til bestemmelserne i Planen eller Aftalen, efter at dit ansættelses- eller tjenesteforhold i Selskabet eller i et Berettiget Selskab er ophørt, vil sådanne Betingede Aktier udløbe pr. den dato, hvor du evt. overtræder en konkurrenceklausul eller anden klausul, som efter fratrædelsen er gældende mellem dig på den ene side og Selskabet og Selskabets datterselskaber på den anden side.

Væsentlig Selskabsretlig Ændring. Såfremt der sker en Væsentlig Selskabsretlig Ændring, vil dine ikke-modnede Betingede Aktier bortfalde, medmindre der i forbindelse med en sådan transaktion skriftligt træffes bestemmelse om at overtage eller videreføre de Betingede Aktier eller om at ombytte de Betingede Aktier med optioner eller tildelinger, der relaterer sig til aktier eller værdipapirer i det nye arbejdsgiverselskab - eller i et moderselskab eller datterselskab til dette - med behørig justeringer, for så vidt angår antallet og typen af aktier samt kursen, i hvilket tilfælde de Betingede Aktier vil blive videreført på den måde og på de betingelser, der således træffes bestemmelse om.

6. Økonomiske aspekter af deltagelse i Planen

Din(e) Tildeling(er) har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af din(e) Tildeling(er) indgår ikke i beregningen af feriepenge, pensionsbidrag eller andre lovpligtige, vederlagsafhængige ydelser. Den skattemæssige behandling af din(e) Tildeling(er) afhænger af flere forhold, og du opfordres derfor til at søge uafhængig rådgivning vedrørende din skattemæssige situation.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor du modtager aktier, afhænger ikke kun af Selskabets økonomiske udvikling, men også bl.a. af den generelle udvikling på aktiemarkedet. Derudover kan Selskabets

aktier - både før og efter tidspunktet for din modtagelse af aktier - falde til en værdi, der måske endda ligger under kursen for aktierne på tildelingstidspunktet.

7. Øvrige oplysninger

Med undtagelse af pkt. 5 i denne erklæring (vedrørende din retsstilling i forbindelse med fratræden) har denne erklæring ikke til formål at ændre bestemmelserne i Planen eller Aftalen/Aftalerne (eller i tilhørende dokumenter), og Planen og Aftalen/Aftalerne (og eventuelle tilhørende dokumenter) har forrang i tilfælde af uoverensstemmelser. Dine lovfæstede rettigheder i henhold til Aktieoptionsloven har dog forrang i tilfælde af uoverensstemmelser.

* * * *

Vontier Corporation

PARTICIPANTS IN EGYPT

Exchange Control Notice

If the Participant transfers funds into Egypt (*e.g.*, proceeds from the sale of Shares), the Participant is required to transfer the funds through a bank registered in Egypt. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN ESTONIA

Language Consent

By accepting the RSUs, the Participant acknowledges that the Participant is proficient in reading and understanding English and fully understands the terms of the documents related to the award (the Agreement, this Addendum and the Plan), which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Võttes vastu piiratud aktsiaühikute (RSUs) pakkumise, kinnitab Osaleja, et ta on ingliskeelsena esitatud pakkumisega seotud dokumendid (Leping, Toetuse Teade ja Plaan) läbi lugenud ja nendest aru saanud ning et ta ei vaja nende tõlkimist eesti keelde. Sellest tulenevalt Osaleja nõustub viidatud dokumentide tingimustega.

PARTICIPANTS IN FINLAND

Foreign Asset/Account Reporting Information

Finland has not adopted any specific reporting requirements with respect to foreign assets/accounts. However, the Participant should check the Participant's pre-completed tax return to confirm that the ownership of Shares and other securities (foreign or domestic) are correctly reported. If the Participant finds any errors or omissions, the Participant must make the necessary corrections electronically or by sending specific paper forms to the local tax authorities. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN GERMANY

Exchange Control Notice

Cross-border payments (including related to proceeds realized upon the sale of Shares or from the receipt of any dividends paid on such Shares) and certain other transactions with a value in excess of €12,500 must be reported monthly to the German Federal Bank (*Bundesbank*). In addition, the Participant may be required to report to the Bundesbank the acquisition of Shares at settlement of the RSUs and/or if the Company withholds or sells Shares to cover Tax Related Items, in either case if the Shares have a value in excess of €12,500. The report must be made by the 5th day of the month following the month in which the payment was received. The form must be filed electronically and the form of report ("*Allgemeine Meldeportal Statistik*") can be accessed via the Bundesbank's website (www.bundesbank.de) and is available in both German and English. The Participant is responsible for complying with applicable reporting requirements.

Foreign Asset/Account Reporting Information

If the Participant's acquisition of Shares under the Plan leads to a so-called qualified participation at any point during the calendar year, the Participant will need to report the acquisition when he or she files a tax return for the relevant year. A qualified participation is attained if the value of the Shares acquired exceeds €150,000, or in the unlikely event the Participant holds Shares exceeding 10% of the Company's total common stock. However, if the Shares are listed on a recognized U.S. stock exchange and the Participant owns less than 1% of the total Shares, this requirement will not apply even if Shares with a value exceeding €150,000 are acquired.

PARTICIPANTS IN HUNGARY

There are no country-specific provisions.

PARTICIPANTS IN INDIA

Exchange Control Notice

The Participant must repatriate any proceeds from the sale of the Shares and any cash dividends acquired under the Plan to India and convert the proceeds into local currency within a certain period from the time of receipt (90 days for sale proceeds and 180 days for dividend payments, or within such other period of time as may be required under applicable regulations and to convert the proceeds into local currency). The Participant will receive a foreign inward remittance certificate ("FIRC") from the bank where the Participant deposits the foreign currency. The Participant should maintain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Employer requests proof of repatriation. It is the Participant's responsibility to comply with exchange control laws in India, and neither the Company nor the Employer will be liable for any fines or penalties resulting from the Participant's failure to comply with applicable laws.

Foreign Asset/Account Reporting Information

The Participant is required to declare his or her foreign bank accounts and any foreign financial assets (including the Shares held outside India) in the Participant's annual tax return. It is the Participant's responsibility to comply with this reporting obligation and the Participant should consult his or her personal advisor in this regard as significant penalties may apply in the case of non-compliance.

PARTICIPANTS IN ISRAEL

Trust Arrangement

The Participant understands and agrees that the RSUs awarded under the Agreement are awarded subject to and in accordance with the terms and conditions of the Plan, the Israeli Sub-Plan (the "Sub-Plan"), the Trust Agreement (the "Trust Agreement") between the Company and the Company's trustee appointed by the Company or its Subsidiary in Israel (the "Trustee"), or any successor trustee. In the event of any inconsistencies between the Sub-Plan, the Agreement and/or the Plan, the Sub-Plan will govern.

Type of Grant

The RSUs are intended to qualify for favorable tax treatment in Israel as a “102 Capital Gains Track Grant” (as defined in the Sub-Plan) subject to the terms and conditions of “Section 102” (as defined in the Sub-Plan) and the rules promulgated thereunder. Notwithstanding the foregoing, by accepting the RSUs, the Participant acknowledges that the Company cannot guarantee or represent that the favorable tax treatment under Section 102 will apply to the RSUs.

By accepting the RSUs, the Participant: (a) acknowledges receipt of and represents that the Participant has read and is familiar with the terms and provisions of Section 102, the Plan, the Sub-Plan, the Trust Agreement and the Agreement; (b) accepts the RSUs subject to all of the terms and conditions of the Agreement, the Plan, the Sub-Plan, the Trust Agreement and Section 102 and the rules promulgated thereunder; and (c) agrees that the RSUs and/or any Shares issued in connection therewith, will be registered for the benefit of the Participant in the name of the Trustee as required to qualify under Section 102.

The Participant hereby undertakes to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation to the Plan, or any RSUs or the Shares granted thereunder. The Participant agrees to execute any and all documents which the Company or the Trustee may reasonably determine to be necessary in order to comply with Section 102 and the Income Tax Ordinance (New Version) – 1961 (“ITO”).

Electronic Delivery

The following provision supplements Section 13 of the Agreement:

To the extent required pursuant to Israeli tax law and/or by the Trustee, the Participant consents and agrees to deliver hard-copy written notices and/or actual copies of any notices or confirmations provided by the Participant related to his or her participation in the Plan.

Data Privacy

The following provision supplements Section 14 of the Agreement:

Without derogating from the scope of Section 14 of the Agreement, the Participant hereby explicitly consents to the transfer of Data between the Company, the Trustee, and/or a designated Plan broker, including any requisite transfer of such Data outside of the Participant’s country and further transfers thereafter as may be required to a broker or other third party.

Securities Law Notice

The grant of the RSUs does not constitute a public offering under the Securities Law, 1968.

PARTICIPANTS IN ITALY

Plan Document Acknowledgement

In accepting the RSUs, the Participant acknowledges that he or she has received a copy of the Plan and the Agreement, has reviewed the Plan and the Agreement (including this Addendum) in their entirety and fully understands and accepts all provisions of the Plan and the Agreement (including this Addendum).

The Participant further acknowledges that he or she has read and specifically and expressly approves, without limitation, the following sections of the Agreement: Section 7: Tax Obligations; Section 8: Nature of Grant; Section 14: Data Privacy; Section 17: Governing Law and Venue; Section 23: Addendum; Section 24: Imposition of Other Requirements and Section 25: Recoupment.

Foreign Asset/Account Reporting Information

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) which may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax return is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

PARTICIPANTS IN KAZAKHSTAN

Securities Law Information

The grant of the RSUs is addressed only to certain eligible employees of the Company and its Subsidiaries in the form of Shares to be issued by the Company, which as of the date hereof are listed on the New York Stock Exchange. Neither the Plan nor the Agreement has been approved, nor do they need to be approved, by the National Bank of Kazakhstan. The grant of the RSUs is intended only for the original recipient and is not for general circulation in the Republic of Kazakhstan.

Exchange Control Notice

If the Participant is a resident of Kazakhstan, the Participant is personally required to notify the National Bank of Kazakhstan when the Participant acquires Shares under the Plan if the value of such Shares exceeds US\$100,000. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN KENYA

Tax Registration Information

Under Tax Procedure Act, 2015, the Participant personally is required to complete and submit a tax registration application to the Commissioner of Income Tax with 30 days of the first vesting date of the RSUs. The registration should be completed through the online portal "I TAX" and is a one-time only registration. The Participant is personally responsible for ensuring compliance with all registration requirements in Kenya. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN KOREA

Foreign Asset/Account Reporting Information

Korean residents must declare all foreign financial accounts (e.g., non-Korean bank accounts, brokerage accounts) based in foreign countries that have not entered into an "inter-governmental agreement for automatic exchange of tax information" with Korea to the Korean tax authority and file a report with respect to such accounts if the value of such accounts exceeds a certain threshold. The Participant should

consult with the Participant's personal tax advisor for additional information about this reporting obligation.

Exchange Control Notice

If the Participant deposits funds (e.g., proceeds from the sale of Shares) in excess of US\$5,000 into a non-Korean bank account, the Participant may have to file a report with a Korean foreign exchange bank. This reporting is not required if sale proceeds are deposited into a non-Korean brokerage account. Because the exchange control regulations may change without notice, the Participant should consult with a personal legal advisor to ensure compliance with any exchange control regulations applicable to any aspect of their participation in the Plan.

PARTICIPANTS IN LATVIA

There are no country-specific provisions.

PARTICIPANTS IN LITHUANIA

There are no country-specific provisions.

PARTICIPANTS IN MALAYSIA

Director Notification Information

If the Participant is a director of a Subsidiary of the Company established in Malaysia (a "Malaysian Entity"), the Participant is subject to certain notification requirements under the Malaysian Companies Act. Among these requirements is an obligation to notify the Malaysian Entity in writing when the Participant receives an interest (e.g., RSUs, Shares, etc.) in the Company or any of its related companies. In addition, the Participant must notify the Malaysian Entity when the Participant sells shares of the Company or any of its related companies (including when the Participant sells Shares acquired under the Plan). The Participant must also notify the Malaysian Entity if there are any subsequent changes in the Participant's interest in the Company or any related companies. These notifications must be made within fourteen days of acquiring or disposing of any interest in the Company or any of its related companies.

PARTICIPANTS IN MAURITIUS

Tax Reporting Information

If the Participant is a resident of Mauritius, the Participant will be required to report and declare all foreign income on the Participant's personal annual income tax return. The Participant should consult with the Participant's personal advisor(s) regarding any personal tax obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN MEXICO

Labor Law Acknowledgement

This provision supplements Section 8 of the Agreement.

By accepting the RSUs, the Participant acknowledges that he or she understands and agrees that: (i) the RSUs are not related to the salary and other contractual benefits granted to the Participant by the Employer; and (ii) any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement

The grant of the RSUs the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with registered offices at 5438 Wade Park Blvd, Suite 600, Raleigh, NC 27607, United States of America, is solely responsible for the administration of the Plan. Participation in the Plan and the acquisition of the Shares under the Plan does not in any way establish an employment relationship between the Participant and the Company since the Participant is participating in the Plan on a wholly commercial basis and the Participant's sole employer is the Subsidiary employing the Participant, as applicable, nor does it establish any rights between the Participant and the Employer.

Plan Document Acknowledgment

By participating in the Plan, the Participant acknowledges that he or she has received copies of the Plan and the Agreement, has reviewed the Plan and the Agreement in their entirety and fully understands and accept all provisions of the Plan and the Agreement.

In addition, by participating in the Plan, the Participant further acknowledges that he or she has read and specifically and expressly approves the terms and conditions in Section 8 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company and its Subsidiaries are not responsible for any decrease in the value of the Shares underlying the RSUs.

Finally, the Participant hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of participation in the Plan and therefore grants a full and broad release to the Employer and the Company and its Subsidiaries with respect to any claim that may arise under the Plan.

Spanish Translation

Reconocimiento de la Ley Laboral

Esta disposición complementa la Sección 8 del Contrato.

Por medio de la aceptación de la RSU, el Participante acepta que entiende y acuerda que: (i) la RSU no se encuentra relacionada con el salario ni con otras prestaciones contractuales concedidas al Participante por parte del patrón; y (ii) cualquier modificación del Plan o su terminación no constituye un cambio o desmejora en los términos y condiciones de empleo.

Declaración de Política

El otorgamiento de RSUs por parte de la Compañía bajo el Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el mismo en cualquier momento, sin ninguna responsabilidad.

La Compañía, con oficinas registradas ubicadas en 5438 Wade Park Blvd, Suite 600, Raleigh, NC 27607, United States of America, es la única responsable por la administración del Plan. La participación en el Plan y la adquisición de Acciones bajo el Plan no establecen de forma alguna una

relación de trabajo entre el Participante y la Compañía, ya que la participación en el Plan por parte del Participante es completamente comercial y el único patrón que emplea al Participante es la Subsidiaria, en caso de ser aplicable, así como tampoco establece ningún derecho entre el Participante y el patrón.

Reconocimiento del Plan de Documentos

Al participar en el Plan, el Participante reconoce que ha recibido copias del Plan y del Contrato, que el Plan y el Contrato han sido revisados en su totalidad y completamente entiende y acepta las disposiciones contenidas en el Plan y en el Contrato.

Adicionalmente, al participar en el Plan, el Participante también reconoce que ha leído y que aprueba específica y expresamente los términos y condiciones contenidos en la Sección 8 del Contrato en la cual se encuentra claramente descrito y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en el mismo es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, así como sus Subsidiarias no son responsables por cualquier detrimento en el valor de las Acciones en relación con la RSU.

Finalmente, por medio de la presente el Participante declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de la participación en el Plan y en consecuencia, otorga el más amplio finiquito a su patrón, así como a la Compañía, a sus Subsidiarias con respecto a cualquier demanda que pudiera originarse en virtud del Plan.

Securities Law Information

The RSUs and any Shares acquired under the Plan have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan, the Agreement and any other document relating to the RSUs may not be publicly distributed in Mexico. These materials are addressed to the Participant because of the Participant's existing relationship with the Company or one of its Subsidiaries, and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities, but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of the Company or one of its Subsidiaries made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

PARTICIPANTS IN MOZAMBIQUE

There are no country-specific terms or conditions.

PARTICIPANTS IN NAMIBIA

Securities Law Information

The offer of RSUs is considered a private offering in Namibia; therefore, it is not subject to registration.

Exchange Control Information

The Participant may be subject to certain exchange control requirements under local laws. The Participant should consult with his or her personal consultant to ensure compliance with any exchange control obligations arising from the Participant's participation in the Plan.

PARTICIPANTS IN THE NETHERLANDS

There are no country-specific terms or conditions.

PARTICIPANTS IN NEW ZEALAND

Securities Law Notice

In compliance with New Zealand securities laws, the Participant is hereby notified that the following information is available for review in connection with the offer of RSUs under the Plan:

- (i) the Agreement, including this Addendum, which together with the Plan sets forth the terms and conditions of participation in the Plan;
- (ii) a copy of the Company's most recent annual return (i.e., Form 10-K) and most recent financial reports; and
- (iii) a copy of the Plan and a description of the Plan (the "Description") (i.e., the Company's Form S-8 Plan Prospectus under the U.S. Securities Act of 1933, as amended); the Company will provide any attachments or documents incorporated by reference into the Description upon written request.

The Participant may request copies of the documents described above by contacting the Company's corporate legal department using the contact details provided on www.vontier.com. The documents incorporated by reference into the Description are updated periodically. The Participant understands that should he or she request copies of the documents incorporated by reference into the Description, the Company will provide the Participant with the most recent documents incorporated by reference.

Warning Statement

The Participant is being offered RSUs, which, upon vesting in accordance with the terms of the Agreement, will be converted into Shares. The Shares, if issued, give the Participant a stake in the ownership of the Company. The Participant may receive a return if dividends are paid.

If the Company runs into financial difficulties and is wound up, the Participant will be paid only after all creditors (and holders of preference shares) have been paid. The Participant may lose some or all of his or her investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosure information that is important for investors to make an informed decision.

The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, the Participant may not be given all of the information usually required. The Participant will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing to this investment.

The Shares are quoted on the New York Stock Exchange. This means that if the Participant acquires Shares under the Plan, the Participant may be able to sell the Shares on the New York Stock Exchange if there are interested buyers. The Participant may get less than he or she invested. The price will depend on the demand for the Shares.

PARTICIPANTS IN NORWAY

Exchange Control Information

In general, Norwegian residents should not be subject to any foreign exchange requirements in connection with their acquisition or sale of Shares under the Plan, except normal reporting requirements to the Norwegian Currency Registry. If any transfer of funds into or out of Norway is made through a Norwegian bank, the bank will make the registration. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

Foreign Asset/Account Reporting Information

Norwegian residents may be subject to foreign asset reporting as part of their ordinary tax return. Norwegian banks, financial institutions, limited companies etc. must report certain information to the Tax Administration. Such information may then be pre-completed in a Norwegian resident's tax return. However, if the resident has traded, or is the owner of, financial instruments (*e.g.*, Shares) not pre-completed in the tax return, the Norwegian resident must enter this information in Form RF-1159, which is an appendix to the tax return. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN POLAND

Exchange Control Notification

Polish residents holding foreign securities (*e.g.*, Shares) and/or maintaining accounts abroad are obligated to file quarterly reports with the National Bank of Poland incorporating information on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets possessed abroad) exceeds PLN 7 million.

Polish residents are also required to transfer funds through a bank account in Poland if the transferred amount in any single transaction exceeds a specified threshold (currently €15,000). Polish residents are

required to store documents connected with foreign exchange transactions for a period of five years from the date the exchange transaction was made.

Foreign Asset/Account Reporting Information

Polish residents holding foreign securities (e.g., Shares) and/or maintaining accounts abroad are obligated to file quarterly reports with the National Bank of Poland incorporating information on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN 7,000,000. The Participant should consult with the Participant's personal advisor(s) regarding any personal foreign asset/foreign account tax obligations the Participant may have in connection with Participant's participation in the Plan.

PARTICIPANTS IN ROMANIA

Language Consent

By accepting the RSUs, the Participant acknowledges that the Participant is proficient in reading and understanding English and fully understands the terms of the documents related to the RSUs (the Agreement, this Addendum and the Plan), which were provided in the English language. The Participant accepts the terms of these documents accordingly.

Consimtamant cu privire la limba

Prin acceptarea RSU, Participantul confirmă că abilitatea de a citi și înțelege limba engleză și înțelege pe deplin termenii RSU (Acordul și Planul), care au fost furnizate în limba engleză. Participantul acceptă termenii acestor documente.

Exchange Control Notification

Any transfer of funds exceeding €15,000 (whether made through a single transfer or a series of transfers) must be reported to the National Office for Prevention and Control of Money Laundering on specific forms by the relevant bank of financial institution. If the Participant deposits proceeds from the sale of the Shares in a bank account in Romania, the Participant may have to provide the Romanian bank through which the operations are effected with the appropriate documenting regarding receipt of the funds. The Participant should consult with his or her personal legal advisor to determine whether he or she will be required to submit such documentation to the Romanian bank.

PARTICIPANTS IN SAUDI ARABIA

Securities Law Information

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. The Participant should conduct the Participant's

own due diligence on the accuracy of the information relating to the securities. If the Participant does not understand the contents of this document, the Participant should consult an authorized financial adviser.

PARTICIPANTS IN SERBIA

Securities Law Information

The grant of the RSUs and the issuance of any Shares in settlement of the RSUs is not subject to the regulations governing public offerings and private placements under the Law on Capital Markets.

Exchange Control Information

Pursuant to the Law on Foreign Exchange Transactions, Serbian residents may freely acquire Shares under the Plan. However, the National Bank of Serbia generally requires residents to report the acquisition of Shares, the value of the Shares at vesting and, on a quarterly basis, any changes in the value of the underlying Shares. An exemption from the reporting obligation may apply on the basis that the Shares are acquired for no consideration. The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN SINGAPORE

Securities Law Notice

The grant of the RSUs is being made pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA") and is not made to the Participant with a view to the Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Participant should note that the RSUs are subject to section 257 of the SFA and the Participant should not make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer is made after six (6) months of the grant of the RSUs or pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA. The Company's Common Stock is traded on the New York Stock Exchange, which is located outside of Singapore, under the ticker symbol "VNT" and the Shares acquired under the Plan may be sold through this exchange.

Chief Executive Officer and Director Notification Requirement

If the Participant is the Chief Executive Officer (the "CEO"), or a director (including an alternate, substitute, or shadow director¹) of a Singapore Subsidiary of the Company, the Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singapore Subsidiary in writing when the Participant receives an interest (*e.g.*, RSUs, the Shares, *etc.*) in the Company or any related company. In addition, the Participant must notify the Singapore Subsidiary when the Participant sells Shares of the Company or any related company (including when the Participant sells Shares acquired under the Plan). These notifications must be made within two (2) business days of (i) its acquisition or disposal, (ii) any change in a previously-disclosed interest

¹ A shadow director is an individual who is not on the board of directors of the Singapore Affiliate but who has sufficient control so that the board of directors of the Singapore Affiliate acts in accordance with the directions and instructions of the individual.

(e.g., upon vesting of the RSUs or when Shares acquired under the Plan are subsequently sold), or (iii) becoming the CEO or a director.

PARTICIPANTS IN SLOVENIA

Foreign Asset/Account Reporting Information

Slovenian residents may be required to report the opening of bank and/or brokerage accounts to the tax authorities within eight days of opening such an account. The Participant should consult with his or her personal tax advisor to determine whether this requirement will be applicable to any accounts opened in connection with the Participant's participation in the Plan (*i.e.*, the Participant's brokerage account with the Company's designated broker).

PARTICIPANTS IN SOUTH AFRICA

Tax Obligations

This provision supplements Section 7 of the Agreement:

By accepting the RSUs, the Participant agrees to immediately notify the Employer of the amount of any gain realized upon vesting of the RSUs. If the Participant fails to advise the Employer of the gain realized at vesting, the Participant may be liable for a fine. The Participant will be responsible for paying any difference between the actual tax liability and the amount of tax withheld by the Company or Employer.

Exchange Control Notice

Because no transfer of funds from South Africa is required under the RSUs, no filing or reporting requirements should apply when the RSUs are granted or when the Shares are issued upon vesting and settlement of the RSUs. However, because exchange control regulations are subject to change, the Participant should consult with his or her personal advisor to ensure compliance with current regulations. The Participant responsible for ensuring compliance with all exchange control laws in South Africa.

Securities Law Information

In compliance with South African securities law, the following documents are available for the Participant:

Annual Report (Form 10-K) - <https://investors.vontier.com/financials/annual-reports/default.aspx>

Quarterly Report (Form 10-Q) - <https://investors.vontier.com/financials/quarterly-results/default.aspx>

Plan document for the Plan

The U.S. prospectus for the Plan

A hard copy of the foregoing documents will be sent to the Participant free of charge upon written request to: . The Participant should carefully read the materials provided before making a decision whether to

participate in the Plan. In addition, the Participant should contact the Participant's tax advisor for specific information concerning the Participant's personal tax situation with regard to Plan participation.

PARTICIPANTS IN SPAIN

Nature of Grant

This provision supplements Section 8 of the Agreement:

In accepting the grant of the RSUs, the Participant acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Participant understands that the Company, has unilaterally, gratuitously, and discretionally decided to grant RSUs under the Plan to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any RSUs will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Participant understands that the RSUs are granted on the assumption and condition that such RSUs and any Shares acquired upon vesting of the RSUs shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit or salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Participant understands that the RSUs would not be granted but for the assumptions and conditions referred to above; thus, the Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any grant of the RSUs shall be null and void.

As a condition of the grant of the RSUs, unless otherwise expressly provided for by the Company or set forth in the Agreement, the Participant's termination of employment for any reason (including for the reasons listed below) will automatically result in the forfeiture and loss of the Shares that are subject to that portion of the RSUs that may have been granted to the Participant and that were not vested on the date of termination. In particular, and without limitation to the provisions of the Plan and the Agreement, the Participant understands and agrees that any unvested portion of the RSUs as of the date the Participant's active employment ends will be cancelled without entitlement to the underlying Shares or to any amount as indemnification if the Participant terminates employment by reason of, including, but not limited to: death, disability, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause (*i.e.*, subject to a "*despido improcedente*"), material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, or under Article 10.3 of Royal Decree 1382/1985. The Committee, in its sole discretion, shall determine the date when the Participant's employment has terminated for purposes of the RSUs.

Exchange Control Notice

The Participant must declare the acquisition, ownership and disposition of the Shares to the *Dirección General de Comercio e Inversiones* (the "DGCI"), the Bureau for Commerce and Investments, which is a department of the of the Ministry of Economy and Competitiveness, for statistical purposes. Generally, the declaration must be filed in January for the Shares acquired or sold during (or owned as of December 31 of the prior year; however, if the value of the Shares acquired under the Plan or the amount of the sale exceeds €1,502,530, the declaration must be filed within one month of the acquisition or sale, as applicable.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including the Shares acquired under the Plan), and any transactions with non-Spanish residents, depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Securities Law Notice

No “offer of securities to the public,” as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the RSUs. The Plan, the Agreement (including this Addendum) and any other documents evidencing the grant of the RSUs have not, nor will they be, registered with the *Comisión Nacional del Mercado de Valores*, and none of those documents constitutes a public offering prospectus.

Foreign Asset/Account Reporting Information

To the extent the Participant holds rights or assets (e.g., cash or the Shares held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset as of December 31 each year (or at any time during the year in which the Participant sells or disposes of such right or asset), the Participant is required to report information on such rights and assets on his or her tax return for such year. After such rights or assets are initially reported, the reporting obligation will only apply for subsequent years if the value of any previously-reported rights or assets increases by more than €20,000. The reporting must be completed by the following March 31. Failure to comply with this reporting requirement may result in penalties to the Spanish residents.

In addition, the Participant may be required to electronically declare to the Bank of Spain any foreign accounts (including brokerage accounts held abroad), any foreign instruments (including Shares acquired under the Plan), and any transactions with non-Spanish residents (including any payments of Shares made pursuant to the Plan), depending on the balances in such accounts together with the value of such instruments as of December 31 of the relevant year, or the volume of transactions with non-Spanish residents during the relevant year.

Spanish residents should consult with their personal tax and legal advisors to ensure compliance with their personal reporting obligations.

PARTICIPANTS IN SWAZILAND

There are no country-specific provisions.

PARTICIPANTS IN SWEDEN

Responsibility for Taxes

The following provision supplements Section 7 of the Agreement:

Without limiting the Company’s and the Employer’s authority to satisfy any withholding obligations for Tax Related Items as set forth in Section 7 of the Agreement, in accepting the RSUs, the Participant authorizes the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to the Participant upon vesting/settlement of the RSUs to satisfy any liability the Participant may have for

Tax Related Items, regardless of whether the Company and/or the Employer have any statutory or regulatory obligation to withhold such Tax Related Items.

PARTICIPANTS IN TAIWAN

Data Privacy Acknowledgement

The Participant hereby acknowledges that the Participant has read and understood the terms regarding collection, processing and transfer of Data contained in the data privacy provisions of the Agreement and by participating in the Plan, the Participant agrees to such terms. In this regard, upon request of the Company or the Employer, the Participant agrees to provide an executed data privacy consent form to the Company or the Employer (or any other agreements or consents that may be required by the Company or the Employer) that the Company and/or the Employer may deem necessary to obtain under the data privacy laws in the Participant's country of residence, either now or in the future. The Participant understands the Participant may be unable to participate in the Plan if the Participant fails to execute any such consent or agreement.

Securities Law Notice

The offer of participation in the Plan is available only for employees of the Company and its Subsidiaries. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.

Exchange Control Notice

If the Participant is a resident of Taiwan, he or she may acquire foreign currency and remit the same out of or into Taiwan up to US\$5,000,000 per year without justification. If the transaction amount is TWD\$500,000 or more in a single transaction, the Participant must submit a Foreign Exchange Transaction Form. If the transaction amount is US\$500,000 or more in a single transaction, the Participant also must provide supporting documentation to the satisfaction of the remitting bank.

PARTICIPANTS IN THAILAND

Exchange Control Information

If the Participant receives proceeds from the sale of Shares or cash dividends in relation to the Shares in excess of US\$1,000,000 in a single transaction, the Participant must immediately repatriate the funds to Thailand (or utilize such funds offshore for permissible purposes) and convert the funds to Thai Baht within 360 days of repatriation or deposit the funds in an authorized foreign exchange account in Thailand. The Participant is also required to provide details of the transaction (*i.e.*, identification information and purpose of the transaction) to the receiving bank.

If the Participant does not repatriate such funds and utilizes them offshore for permissible purposes (*i.e.*, purposes not listed in the negative list prescribed by the Bank of Thailand), the Participant must obtain a waiver of the repatriation requirement from a commercial bank in Thailand by submitting an application and supporting documents evidencing that such funds will be utilized offshore for permissible purposes.

The Participant should consult with the Participant's personal advisor(s) regarding any personal legal, regulatory or foreign exchange obligations the Participant may have in connection with the Participant's participation in the Plan.

PARTICIPANTS IN TURKEY

Securities Law Notice

The RSUs are made available only to employees of the Company, and the offer of participation in the Plan is a private offering. The Participant is not permitted to publicly offer any shares acquired under the Plan in Turkey unless such public offering is approved by the Turkish Capital Markets Board in accordance with Turkish laws. The Shares are currently traded on the New York Stock Exchange, under the ticker symbol "VNT" and the Shares may be sold through this exchange.

Exchange Control Notice

In certain circumstances, Turkish residents are permitted to sell the Shares traded on a non-Turkish stock exchange only through a financial intermediary licensed in Turkey. Therefore, Turkish residents may be required to appoint a Turkish broker to assist with the sale of the Shares acquired under the Plan. The Participant should consult his or her personal legal advisor before selling any Shares acquired under the Plan to confirm the applicability of this requirement.

PARTICIPANTS IN UNITED ARAB EMIRATES

Securities Law Notice

The Agreement, the Plan, and other incidental communication materials related to the RSUs are intended for distribution only to employees of the Company and its Subsidiaries for the purposes of an incentive scheme.

The Emirates Securities and Commodities Authority and Central Bank have no responsibility for reviewing or verifying any documents in connection with this statement. Neither the Ministry of Economy nor the Dubai Department of Economic Development have approved this statement nor taken steps to verify the information set out in it, and have no responsibility for it. The securities to which this statement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities.

If the Participant has any questions regarding the context of the Agreement, including the Addendum, or the Plan, the Participant should obtain independent professional advice.

PARTICIPANTS IN THE UNITED KINGDOM

Tax Obligations

This provision supplements Section 7 of the Agreement:

Without limitation to Section 7 of the Agreement, the Participant hereby agrees that the Participant is liable for all Tax Related Items and hereby covenants to pay all such Tax Related Items, as and when requested by the Company, or the Employer, or by HM Revenue & Customs ("HMRC") (or any other tax

authority or any other relevant authority). The Participant also hereby agrees to indemnify and keep indemnified the Company and, if different, the Employer, against any Tax Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Participant may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Participant, as it may be considered a loan. In this case, the amount of any uncollected amounts may constitute a benefit to the Participant on which additional income tax and National Insurance Contributions may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 7 of the Agreement.

VONTIER CORPORATION
2020 STOCK INCENTIVE PLAN
STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the Vontier Corporation 2020 Stock Incentive Plan (the “Plan”) will have the same defined meanings in this Stock Option Agreement, including any special terms and conditions for the Optionee’s country set forth in the addendum attached thereto as Addendum A (the “Addendum”) (collectively, the “Agreement”).

II. NOTICE OF STOCK OPTION GRANT

Name:

Optionee ID:

The undersigned Optionee has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and the Agreement, as follows:

Date of Grant

Exercise Price per Share

Total Number of Shares Granted

Type of Option Nonstatutory Stock Option

Expiration Date Tenth anniversary of Date of Grant

Vesting Schedule:

Time-Based Vesting Criteria Options granted hereby will vest pursuant to the Vesting Schedule noted above

III. AGREEMENT

1. Grant of Option. Vontier Corporation (the “Company”) hereby grants to the Optionee named in this Notice of Stock Option Grant (the “Optionee”), an option (the “Option”) to purchase the number of shares of Common Stock (the “Shares”) set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the “Exercise Price”), and subject to the terms and conditions of the Agreement and the Plan, which are incorporated herein by reference. Except as set forth in Section 2(c) below, in the event of a conflict between the terms and conditions of the Plan and the Agreement, the terms and conditions of the Plan shall prevail.

2. Vesting.

(a) Vesting Schedule. Except as may otherwise be set forth in the Agreement or in the Plan, Options awarded to the Optionee shall not vest unless the Optionee continues to be actively employed with, or actively providing services to, the Company or an Eligible Subsidiary for the periods required to satisfy the time-based vesting criteria (“Time-Based Vesting Criteria”) applicable to such Options. The Time-Based Vesting Criteria applicable to an Option are referred to as “Vesting Conditions,” and the earliest date upon which all Vesting Conditions are satisfied is referred to as the “Vesting Date.” The Vesting Conditions for an Option received by the Optionee shall be established by the Compensation Committee (the “Committee”) of the Company’s Board of Directors (or by one or more members of Company management, if such power has been delegated in accordance with the Plan and applicable law) and reflected in the account maintained for the Optionee by an external third party administrator of the Option awards. Further, during any approved leave of absence (and without limiting the application of any other rules governing leaves of absence that the Committee may approve from time to time pursuant to the Plan), to the extent permitted by applicable law the Committee shall have discretion to provide that the vesting of the Options shall be frozen as of the first day of the leave (or as of any subsequent day during such leave, as applicable) and shall not resume until and unless the Optionee returns to active employment prior to the Expiration Date of the Options.

(b) Addendum. The provisions of Addendum A are incorporated by reference herein and made a part of the Agreement, and to the extent any provision in Addendum A conflicts with any provision set forth elsewhere in the Agreement (including without limitation any provisions relating to Retirement), the Addendum A provision shall control.

(c) Fractional Shares. The Company will not issue fractional Shares upon the exercise of an Option. Any fractional Share will be rounded up and issued to the Optionee in a whole Share.

3. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and the Agreement.

(b) Method and Time of Exercise. This Option shall be exercisable by any method permitted by the Plan and the Agreement that is made available from time to time by the external third party administrator of the Option awards. An exercise may be made with respect to whole Shares only, and not for a fraction of a Share. Shares shall not be issued under the Plan unless the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company’s securities may then be traded. The Committee may require the Optionee to take any reasonable action in order to comply with any such rules or regulations. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date the Option is exercised with respect to such Shares.

(c) Acknowledgment of Potential Securities Law Restrictions. Unless a registration statement under the Securities Act covers the Shares issued upon exercise of an Option, the Committee may require that the Optionee agree in writing to acquire such Shares for investment and not for public resale or distribution, unless and until the Shares subject to the Option are registered under the Securities

Act. The Committee may also require the Optionee to acknowledge that he or she shall not sell or transfer such Shares except in compliance with all applicable laws, and may apply such other restrictions as it deems appropriate. The Optionee acknowledges that the U.S. federal securities laws prohibit trading in the stock of the Company by persons who are in possession of material, non-public information, and also acknowledges and understands the other restrictions set forth in the Company's Insider Trading Policy.

(d) Automatic Exercise Upon Expiration Date. Notwithstanding any other provision of the Agreement (other than this Section), on the last trading day on which all or a portion of the outstanding Option may be exercised, if as of the close of trading on such day the then Fair Market Value of a Share exceeds the per Share Exercise Price of the Option by at least \$.01 (such expiring portion of the Option that is so in-the-money, an "Auto-Exercise Eligible Option"), the Optionee will be deemed to have automatically exercised such Auto-Exercise Eligible Option (to the extent it has not previously been exercised or forfeited) as of the close of trading in accordance with the provisions of this Section. In the event of an automatic exercise pursuant to this Section, the Company will reduce the number of Shares issued to the Optionee upon such automatic exercise of the Auto-Exercise Eligible Option in an amount necessary to satisfy (1) the Optionee's Exercise Price obligation for the Auto-Exercise Eligible Option, and (2) the minimum, applicable Federal, state, local and, if applicable, foreign income and employment tax and social insurance contribution withholding requirements arising upon the automatic exercise in accordance with the procedures of Section 6(f) of the Plan (unless the Committee deems that a different method of satisfying the tax withholding obligations is practicable and advisable), in each case based on the Fair Market Value of the Shares as of the close of trading on the date of exercise. The Optionee may notify the Plan record-keeper in writing in advance that the Optionee does not wish for the Auto-Exercise Eligible Option to be exercised. This Section shall not apply to the Option to the extent that this Section causes the Option to fail to qualify for favorable tax treatment under applicable law. In its discretion, the Company may determine to cease automatically exercising Options at any time.

4. Method of Payment. Unless the Committee consents otherwise, payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash, delivered to the external third party administrator of the Option awards in any methodology permitted by such third party administrator;

(b) payment under a cashless exercise program approved by the Company or through a broker-dealer sale and remittance procedure pursuant to which the Optionee (i) shall provide written instructions to a licensed broker acceptable to the Company and acting as agent for the Optionee to effect the immediate sale of some or all of the purchased Shares and to remit to the Company, out of the sale proceeds available on the settlement date, sufficient funds to cover the aggregate Exercise Price payable for the purchased Shares and (ii) shall provide written direction to the Company to deliver the purchased Shares directly to such brokerage firm in order to complete the sale transaction; or

(c) surrender of other Shares which have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the exercised Shares.

5. Termination of Employment.

(a) General. In the event the Optionee's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates for any reason (other than death, Early Retirement or Full Retirement) all unvested Options shall be automatically

forfeited by the Optionee as of the date of termination and Optionee's right to receive Options under the Plan shall also terminate as of the date of termination.

For purposes of this Option, the Optionee's employment will be considered terminated as of the date the Optionee is no longer actively providing services to the Company or an Eligible Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment or service agreement, if any). The Committee shall have discretion to determine whether the Optionee has ceased to be actively employed by (or, if the Optionee is a consultant or director, has ceased actively providing services to) the Company or Eligible Subsidiary, and the effective date on which such active employment (or active service-providing relationship) terminated. The Optionee's active employer-employee or other active service-providing relationship will not be extended by any notice period mandated under applicable law (e.g., active employment shall not include any contractual notice period, a period of "garden leave", paid administrative leave or similar period mandated under employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment or service agreement, if any) and in the event of an Optionee's termination of employment (whether or not in breach of applicable labor laws), Optionee's right to exercise any Option after termination of employment, if any, shall be measured by the date of termination of active employment or service and shall not be extended by any notice period mandated under employment laws in the jurisdiction where the Optionee is employed or terms of the Optionee's employment or service agreement, if any. Unless the Committee provides otherwise (1) termination of the Optionee's employment will include instances in which the Optionee is terminated and immediately rehired as an independent contractor, and (2) the spin-off, sale, or disposition of the Optionee's employer from the Company or an Eligible Subsidiary (whether by transfer of shares, assets or otherwise) such that the Optionee's employer no longer constitutes an Eligible Subsidiary will constitute a termination of employment or service.

(b) General Post-Termination Exercise Period. In the event the Optionee's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates for any reason (other than death, Disability, Early Retirement, Enhanced Retirement, Full Retirement or Gross Misconduct), whether or not in breach of applicable labor laws, the Optionee shall have a period of 90 days, commencing with the date the Optionee is no longer actively employed, to exercise the vested portion of any outstanding Options, subject to the Expiration Date of the Option. However, if the exercise of an Option following the Optionee's termination of employment (to the extent such post-termination exercise is permitted under Section 12(a) of the Plan) is not covered by an effective registration statement on file with the U.S. Securities and Exchange Commission, then the Option will terminate upon the later of (i) thirty (30) days after such exercise becomes covered by an effective registration statement, (ii) in the event that a sale of Shares would subject the Optionee to liability under Section 16(b) of the Exchange Act, thirty (30) days after the last date on which such sale would result in liability, or (iii) the end of the original post-termination exercise period, but in no event may an Option be exercised after the Expiration Date of the Option.

(c) Death. Upon the Optionee's death prior to termination of employment, all unexpired Options shall become fully exercisable and may be exercised for a period of twelve (12) months thereafter (subject to the Expiration Date of the Option) by the personal representative of the Optionee's estate or any other person to whom the Option is transferred under a will or under the applicable laws of descent and distribution.

(d) Disability. In the event the Optionee's active employment or other active service-providing relationship with the Company or an Eligible Subsidiary terminates by reason of the Optionee's Disability, all unvested Options shall be automatically forfeited by the Optionee as of the date of termination and the Optionee shall have until the first anniversary of the Optionee's termination of employment for Disability (subject to the Expiration Date of the Option) to exercise the vested portion of any outstanding Options.

(e) Early Retirement. In the event the Optionee's active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Early Retirement, and the Date of Grant of this Option precedes the Optionee's Early Retirement date by at least six (6) months, then the Optionee shall continue to vest in a pro-rata portion of each Tranche (a "Tranche" consisting of all portions of the Option as to which the Time-Based Vesting Criteria are scheduled to be satisfied on the same date) that is unvested as of the date of the Optionee's Early Retirement, and such Options together with any Options that are vested as of the Optionee's Early Retirement date shall remain outstanding and (once vested) may be exercised until the fifth anniversary of the Early Retirement date (or if earlier, the Expiration Date of the Option). Such pro-rata portion of each Tranche that shall continue vesting shall be determined by multiplying (1) the total number of Options in such Tranche by (2) the quotient of (A) the number of full or partial months worked by the Optionee from the Date of Grant to the Early Retirement date, divided by (B) the total number of months in the original time-based vesting schedule of the Tranche (the "Retirement Proration Quotient"), provided that the Retirement Proration Quotient shall never be greater than 1.0. If the Date of Grant of this Option does not precede the Optionee's Early Retirement date by at least six (6) months, the post-termination exercise period with respect to such Option shall be governed by the other provisions of this Section 5, as applicable. "Early Retirement" shall mean the Optionee's voluntary termination of employment on or after attainment of age fifty-five (55) at a time when the Optionee's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to sixty-five (65).

(f) Enhanced Retirement. In the event the Optionee's active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Enhanced Retirement, and the Date of Grant of this Option precedes the Optionee's Enhanced Retirement date by at least six (6) months, then the Optionee shall become vested in a pro-rata portion of each Tranche that is unvested as of the Enhanced Retirement date. Such pro-rata portion of each Tranche that shall continue vesting shall be determined by multiplying (1) the total number of Options in such Tranche by (2) the Retirement Proration Quotient assuming for purposes of such formula that the Optionee's termination of employment occurred on the one year anniversary of the Optionee's Enhanced Retirement date, provided that the Retirement Proration Quotient shall never be greater than 1.0. "Enhanced Retirement" shall mean the Optionee's voluntary termination of employment on or after attainment of age sixty (60) at a time when the sum of the Optionee's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to seventy (70).

(g) Full Retirement. In the event the Optionee's active employment or other active service-providing relationship with the Company or Eligible Subsidiary terminates as a result of Full Retirement, and the Date of Grant of this Option precedes the Optionee's Full Retirement date by at least six (6) months, then the Optionee's unvested Options will continue to vest and such Options together with any Options that are vested as of the Optionee's Full Retirement date shall remain outstanding and (once vested) may be exercised until the fifth anniversary of the Full Retirement date (or if earlier, the Expiration Date of the Option). If the Date of Grant of this Option does not precede the Optionee's Full Retirement date by at least six (6) months, the post-termination exercise period with respect to such

Option shall be governed by the other provisions of this Section 5, as applicable. "Full Retirement" shall mean the Optionee's voluntary termination of employment, either (1) on or after attainment of age sixty-two (62) at a time when the sum of the Optionee's age plus years of service with the Company or an Eligible Subsidiary is greater than or equal to eighty (80) or (2) Normal Retirement.

(h) Retirement Treatment outside of the United States. Notwithstanding the forgoing, if the Company receives an opinion of counsel that there has been a legal judgment and/or legal development in the Optionee's jurisdiction that likely would result in the favorable Retirement treatment (including Early Retirement, Enhanced Retirement or Full Retirement) that otherwise would apply to the Options being deemed unlawful, then the Company will not apply the favorable Retirement treatment at the time of the Optionee's termination of service or employment and the Options will be treated as they would under the rules that otherwise would have applied if the Optionee did not qualify for Retirement pursuant to the Agreement.

(i) Gross Misconduct. If the Optionee's employment with the Company or an Eligible Subsidiary is terminated for Gross Misconduct, the Optionee's unexercised Options shall terminate immediately as of the time of termination, without consideration. The Optionee acknowledges and agrees that the Optionee's termination of employment shall also be deemed to be a termination of employment by reason of the Optionee's Gross Misconduct if, after the Optionee's employment has terminated, facts and circumstances are discovered or confirmed by the Company that would have justified a termination for Gross Misconduct.

(j) Violation of Post-Employment Covenant. To the extent that any of the Optionee's Options remain outstanding under the terms of the Plan or the Agreement after termination of the Optionee's employment or service with the Company or an Eligible Subsidiary, such Options shall nevertheless expire as of the date the Optionee violates any covenant not to compete or other post-employment covenant that exists between the Optionee on the one hand and the Company or any subsidiary of the Company, on the other hand.

(k) Substantial Corporate Change. Upon a Substantial Corporate Change, the Optionee's outstanding Options will terminate unless provision is made in writing in connection with such transaction for the assumption or continuation of the Options, or the substitution for such Options of any options or grants covering the stock or securities of a successor employer corporation, or a parent or subsidiary of such successor, with appropriate adjustments as to the number and kind of shares of stock and prices, in which event the Options will continue in the manner and under the terms so provided.

6. Non-Transferability of Option; Term of Option.

(a) Unless the Committee determines otherwise in advance in writing, this Option may not be transferred in any manner otherwise than by will or by the applicable laws of descent or distribution and may be exercised during the lifetime of the Optionee only by the Optionee and/or by his or her duly appointed guardian. The terms of the Plan and the Agreement shall be binding upon the executors, administrators, heirs and permitted successors and assigns of the Optionee.

(b) Notwithstanding any other term in the Agreement, the Option may be exercised only prior to the Expiration Date set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of the Agreement.

7. Amendment of Option or Plan.

(a) The Plan and the Agreement constitute the entire understanding of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof. The Optionee expressly warrants that he or she is not accepting the Agreement in reliance on any promises, representations, or inducements other than those contained herein. The Board may amend, modify or terminate the Plan or any Option in any respect at any time; provided, however, that modifications to the Agreement or the Plan that materially and adversely affect the Optionee's rights hereunder can be made only in an express written contract signed by the Company and the Optionee. Notwithstanding anything to the contrary in the Plan or the Agreement, the Company reserves the right to revise the Agreement and the Optionee's rights under outstanding Options as it deems necessary or advisable, in its sole discretion and without the consent of the Optionee, (1) upon a Substantial Corporate Change, (2) as required by law, or (3) to comply with Section 409A of the Internal Revenue Code of 1986 ("Section 409A") or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection with this award of Options.

(b) The Optionee acknowledges and agrees that if the Optionee changes classification from a full-time employee to a part-time employee the Committee may in its sole discretion (1) reduce or eliminate the Optionee's unvested Options, and/or (2) extend any vesting schedule to one or more dates that occur on or before the Expiration Date.

8. Responsibility for Taxes.

(a) Withholding Taxes. Regardless of any action the Company or any Subsidiary employing the Optionee (the "Employer") takes with respect to any or all federal, state, local or foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax related items ("Tax Related Items"), the Optionee acknowledges that the ultimate liability for all Tax Related Items associated with the Option is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company or the Employer and that the Company and the Employer (i) make no representations or undertakings regarding the treatment of any Tax Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Optionee's liability for Tax Related Items. Further, if the Optionee is subject to tax in more than one jurisdiction, the Optionee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Related Items in more than one jurisdiction.

Prior to the relevant taxable event, the Optionee shall pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all withholding and payment on account obligations for Tax Related Items of the Company and/or the Employer. In this regard, the Optionee authorizes the Company and the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax Related Items legally payable by the Optionee (with respect to the Option granted hereunder as well as any equity awards previously received by the Optionee under any Company stock plan) by one or a combination of the following: (i) requiring the Optionee to pay Tax Related Items in cash with a cashier's check or certified check or by wire transfer of immediately available funds; (ii) withholding cash from the Optionee's wages or other compensation payable to the Optionee by the Company and/or the Employer; (iii) accepting from the Optionee the delivery of

unencumbered Shares; (iv) withholding from the proceeds of a broker-dealer sale and remittance procedure as described in Section 4(b) above; (v) withholding in Shares otherwise issuable to the Optionee, provided that the Company withholds only the amount of Shares necessary to satisfy the statutory withholding amount (or such other amount that will not cause adverse accounting consequences for the Company and is permitted under applicable withholding rules promulgated by the Internal Revenue Service or another applicable governmental entity) using the Fair Market Value of the Shares on the date of the relevant taxable event; or (vi) any method determined by the Committee to be in compliance with applicable laws.

Depending on the withholding method, the Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in the Optionee's jurisdiction, in which case the Optionee may receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full member of Shares issued upon exercise of the Option, notwithstanding that a member of the Shares is held back solely for the purpose of paying the Tax Related Items.

The Optionee agrees to pay to the Company or the Employer any amount of Tax Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver to the Optionee any Shares or proceeds from the sale of Shares, if the Optionee fails to comply with his or her obligations in connection with the Tax Related Items.

(b) Code Section 409A. The intent of the parties is that payments and benefits under the Agreement comply with Section 409A of Code to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Agreement shall be interpreted to be in compliance therewith. Notwithstanding anything contained herein to the contrary, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Optionee shall not be considered to have separated from service with the Company for purposes of the Agreement and no payment shall be due to the Optionee under the Agreement on account of a separation from service until the Optionee would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Any payments described in the Agreement that are due within the "short-term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Agreement, to the extent that any amounts are payable upon a separation from service and such payment would result in accelerated taxation and/or tax penalties under Section 409A of the Code, such payment, under this Agreement or any other agreement of the Company, shall be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). The Company makes no representation that any or all of the payments described in the Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Optionee shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

9. Nature of Grant. In accepting the Option, the Optionee acknowledges and agrees that:

- (a) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - (b) the award of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options or other equity awards, even if options have been granted in the past;
 - (c) all decisions with respect to future equity awards, if any, will be at the sole discretion of the Company;
 - (d) the Optionee's participation in the Plan is voluntary;
 - (e) the Option and any Shares acquired under the Plan, and the income from and value of same, is an extraordinary item that (i) does not constitute compensation of any kind for services of any kind rendered to the Company or any Subsidiary, and (ii) is outside the scope of the Optionee's employment or service contract, if any;
 - (f) the Option and any Shares acquired under the Plan, and the income and value of same, are not intended to replace any pension rights or compensation;
 - (g) the Option and any Shares acquired under the Plan, and the income from and value of same, is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, holiday pay, long-service awards, holiday pay, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or any Subsidiary;
 - (h) unless otherwise agreed with the Company, the Option and any Shares acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, any service Optionee may provide as a director of any Subsidiary;
 - (i) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;
 - (j) if the Shares do not increase in value, the Option will have no value;
 - (k) if the Optionee exercises the Option and obtains Shares, the value of the Shares obtained upon exercise may increase or decrease in value, even below the Exercise Price;
 - (l) in consideration of the award of the Option, no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of the Optionee's employment or continuous service by the Company or any Subsidiary (for any reason whatsoever and whether or not later to found to be invalid or in breach of employment laws in the jurisdiction where the Optionee is employed or the terms of the Optionee's employment or service agreement, if any);
 - (m) neither the Company, the Employer nor any other Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. Dollar that may
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affect the value of this Option or of any amounts due to the Optionee pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise;

(n) the Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan or the Optionee's acquisition or sale of the underlying Shares; and

(o) the Optionee should consult with the Optionee's own personal tax, legal and financial advisors regarding the Optionee's participation in the Plan before taking any action related to the Plan.

10. Rights as Shareholder. Until all requirements for exercise of the Option pursuant to the terms of the Agreement and the Plan have been satisfied, the Optionee shall not be deemed to be a shareholder or to have any of the rights of a shareholder with respect to any Shares.

11. No Employment Contract. Nothing in the Plan or the Agreement constitutes an employment contract between the Company and the Optionee and the Agreement shall not confer upon the Optionee any right to continuation of employment or service with the Company or any of its Subsidiaries, nor shall the Agreement interfere in any way with the Company's or any of its Subsidiaries right to terminate the Optionee's employment or service at any time, with or without cause (subject to any employment agreement the Optionee may otherwise have with the Company or a Subsidiary thereof and/or applicable law).

12. Board Authority. The Board and/or the Committee shall have the power to interpret the Agreement and to adopt such rules for the administration, interpretation and application of the Agreement as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether any Options have vested). All interpretations and determinations made by the Board and/or the Committee in good faith shall be final and binding upon the Optionee, the Company and all other interested persons and such determinations of the Board and/or the Committee do not have to be uniform nor do they have to consider whether optionees are similarly situated. No member of the Board and/or the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Agreement.

13. Headings. The captions used in the Agreement and the Plan are inserted for convenience and shall not be deemed to be a part of the Option for construction and interpretation.

14. Electronic Delivery.

(a) If the Optionee executes the Agreement electronically, for the avoidance of doubt, the Optionee acknowledges and agrees that his or her execution of the Agreement electronically (through an on-line system established and maintained by the Company or a third party designated by the Company, or otherwise) shall have the same binding legal effect as would execution of this Agreement in paper form. The Optionee acknowledges that upon request of the Company he or she shall also provide an executed paper form of the Agreement.

(b) If the Optionee executes the Agreement in paper form, for the avoidance of doubt, the parties acknowledge and agree that it is their intent that any agreement previously or subsequently entered into between the parties that is executed electronically shall have the same binding legal effect as if such agreement were executed in paper form.

(c) If the Optionee executes the Agreement multiple times (for example, if the Optionee first executes the Agreement in electronic form and subsequently executes the Agreement in paper form), the Optionee acknowledges and agrees that (i) no matter how many versions of this Agreement are executed and in whatever medium, the Agreement only evidences a single grant of Options relating to the number of Shares set forth in the Notice of Stock Option Grant and (ii) the Agreement shall be effective as of the earliest execution of the Agreement by the parties, whether in paper form or electronically, and the subsequent execution of this Agreement in the same or a different medium shall in no way impair the binding legal effect of the Agreement as of the time of original execution.

(d) The Company may, in its sole discretion, decide to deliver by electronic means any documents related to the Option, to participation in the Plan, or to future awards granted under the Plan, or otherwise required to be delivered to the Optionee pursuant to the Plan or under applicable law, including but not limited to, the Plan, the Agreement, the Plan prospectus and any reports of the Company generally provided to shareholders. Such means of electronic delivery may include, but do not necessarily include, the delivery of a link to the Company's intranet or the internet site of a third party involved in administering the Plan, the delivery of documents via electronic mail ("e-mail") or such other means of electronic delivery specified by the Company. By executing the Agreement, the Optionee hereby consents to receive such documents by electronic delivery. At the Optionee's written request to the Secretary of the Company, the Company shall provide a paper copy of any document at no cost to the Optionee.

15. **Data Privacy Notice and Consent.**

(a) By accepting the Option, the Optionee explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in the Agreement by and among, as applicable, the Employer, the Company and its other Subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

(b) The Optionee understands that the Company, the Employer and other Subsidiaries may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, email address, date of birth, social security number, passport or other identification number (e.g., resident registration number), salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Optionee's favor ("Data"), for the purpose of implementing, administering and managing the Plan.

(c) The Optionee understands that Data will be transferred to Fidelity Stock Plan Services LLC, or such other stock plan service provider as may be selected by the Company in the future, which assist in the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g. the United States) may have different data privacy laws and protections than the Optionee's country. The Optionee understands that if he or she resides outside the United States, the Optionee may request a list with the names and addresses of any potential recipients of the Data by contacting the Optionee's local human resources representative. The Optionee authorizes the Company, Fidelity Stock Plan Services LLC and other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Optionee's participation in the Plan, including any

requisite transfer of such Data as may be required to a broker, escrow agent or other third party with whom the Shares received upon exercise of the Option may be deposited. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that if the Optionee resides outside the United States, he or she may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Optionee's local human resources representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status with the Employer will not be affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant Options or other equity awards to the Optionee or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing the Optionee's consent may affect his or her ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.

(d) Upon request of the Company or the Employer, the Optionee agrees to provide a separate executed data privacy consent form (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from the Optionee for the purpose of administering the Optionee's participation in the Plan in compliance with the data privacy laws in the Optionee's country, either now or in the future. The Optionee understands and agrees that he or she will not be able to participate in the Plan if the Optionee fails to provide any such consent or agreement requested by the Company and/or the Employer.

16. Waiver of Right to Jury Trial. Each party, to the fullest extent permitted by law, waives any right or expectation against the other to trial or adjudication by a jury of any claim, cause or action arising with respect to the Option or hereunder, or the rights, duties or liabilities created hereby.

17. Agreement Severable. In the event that any provision of the Agreement shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of the Agreement.

18. Governing Law and Venue. The laws of the State of Delaware (other than its choice of law provisions) shall govern the Agreement and its interpretation. For purposes of litigating any dispute that arises with respect to the Option, the Agreement or the Plan, the parties hereby submit to and consent to the jurisdiction of the State of Delaware, and agree that such litigation shall be conducted in the courts of New Castle County, or the United States Federal court for the District of Delaware, and no other courts; and waive, to the fullest extent permitted by law, any objection that the laying of the venue of any legal or equitable proceedings related to, concerning or arising from such dispute which is brought in any such court is improper or that such proceedings have been brought in an inconvenient forum. Any claim under the Plan, the Agreement or the Option must be commenced by the Optionee within twelve (12) months of the earliest date on which the Optionee's claim first arises, or the Optionee's cause of action accrues, or such claim will be deemed waived by the Optionee.

19. Language. If the Optionee has received the Agreement, the Plan or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise prescribed by

applicable law. The Optionee acknowledges that the Optionee is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable the Optionee to understand the provisions of the Agreement and the Plan.

20. Severability. The provisions of the Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

21. Waiver. The Optionee acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Optionee or any other participant.

22. Insider Trading/Market Abuse Laws. The Optionee acknowledges that, depending on the Optionee's or the Optionee's broker's country of residence or where the Company Shares are listed, the Optionee may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to accept, acquire, sell or otherwise dispose of Company Shares or exercise Options or rights linked to the value of the Shares (e.g., phantom awards, futures) during such times as the Optionee is considered to have "inside information" regarding the Company as defined by the laws or regulations in the Optionee's country. Local insider trading laws and regulations may prohibit the cancellation or amendment or orders the Optionee placed before the Optionee possessed inside information. Furthermore, the Optionee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable insider trading policy of the Company. The Optionee acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Optionee should consult with his or her own personal legal and financial advisors on this matter.

23. Foreign Asset/Account Reporting and Exchange Controls: The Optionee's country may have certain exchange controls and/or foreign asset/account reporting requirements which may affect the Optionee's ability to acquire or hold Shares under the Plan or cash received from participating in the Plan (including from any dividends paid on the Shares or sale proceeds resulting from the sale of Shares) in a brokerage or bank account outside the Optionee's country. The Optionee may be required to report such accounts, assets or transactions to the tax or other authorities in his or her country. The Optionee may be required to repatriate sale proceeds or other funds received as a result of the Optionee's participation in the Plan to the Optionee's country through a designated bank or broker within a certain time after receipt. The Optionee acknowledges that it is his or her responsibility to comply with any applicable regulations, and that the Optionee should speak to his or her personal advisor on this matter.

24. Addendum. Notwithstanding any provisions of the Agreement, the Option and any Shares acquired under the Plan shall be subject to any special terms and conditions for the Optionee's country of employment and country of residence, if different, as set forth in Addendum A. Moreover, if the Optionee relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Optionee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in any adverse accounting expense with respect to the Option (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Optionee's transfer). The Addendum constitutes part of the Agreement.

25. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Optionee's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and provided the imposition of the term or condition will not result in adverse accounting expense to the Company, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

26. Recoupment. The Options granted pursuant to the Agreement are subject to the terms of any compensation recoupment policy that may be adopted by the Company and in effect from time to time (the "Policy") if and to the extent such Policy by its terms applies to the Options, and to the terms required by applicable law; and the terms of the Policy and such applicable law are incorporated by reference herein and made a part hereof. For purposes of the foregoing, the Optionee expressly and explicitly authorizes the Company to issue instructions, on the Optionee's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Optionee's Shares and other amounts acquired pursuant to the Optionee's Options, to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Policy. To the extent that the Agreement and the Policy conflict, the terms of the Policy shall prevail.

27. Notices. The Company may, directly or through its third party stock plan administrator, endeavor to provide certain notices to the Optionee regarding certain events relating to awards that the Optionee may have received or may in the future receive under the Plan, such as notices reminding the Optionee of the vesting or expiration date of certain awards. The Optionee acknowledges and agrees that (1) the Company has no obligation (whether pursuant to the Agreement or otherwise) to provide any such notices; (2) to the extent the Company does provide any such notices to the Optionee the Company does not thereby assume any obligation to provide any such notices or other notices; and (3) the Company, its Subsidiaries and the third party stock plan administrator have no liability for, and the Optionee has no right whatsoever (whether pursuant to the Agreement or otherwise) to make any claim against the Company, any of its Subsidiaries or the third party stock plan administrator based on any allegations of, damages or harm suffered by the Optionee as a result of the Company's failure to provide any such notices or the Optionee's failure to receive any such notices.

28. Consent and Agreement With Respect to Plan. The Optionee (a) acknowledges that the Plan and the prospectus relating thereto are available to the Optionee on the website maintained by the Company's third party stock plan administrator; (b) represents that he or she has read and is familiar with the terms and provisions thereof, has had an opportunity to obtain the advice of counsel of his or her choice prior to executing the Agreement and fully understands all provisions of the Agreement and the Plan; (c) accepts this Option subject to all of the terms and provisions thereof; (d) consents and agrees to all amendments that have been made to the Plan since it was adopted in 2020 (and for the avoidance of doubt consents and agrees to each amended term reflected in the Plan as in effect on the date of the Agreement), and consents and agrees that all options and restricted stock units, if any, held by the Optionee that were previously granted under the Plan as it has existed from time to time are now governed by the Plan as in effect on the date of the Agreement (except to the extent the Committee has expressly provided that a particular Plan amendment does not apply retroactively); and (e) agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions arising under the Plan or the Agreement.

[If the Agreement is signed in paper form, complete and execute the following:]

OPTIONEE

Signature

Print Name

ADDENDUM A

VONTIER CORPORATION 2020 STOCK INCENTIVE PLAN STOCK OPTION AGREEMENT

This Addendum includes special terms and conditions that govern the Option granted to the Optionee if the Optionee resides and/or works in one of the countries listed below. Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Notice of Stock Option Grant, the Agreement or the Plan.

This Addendum also includes information regarding securities, exchange control, tax and certain other issues of which the Optionee should be aware with respect to the Optionee's participation in the Plan. The information is based on the securities, exchange control, tax and other laws in effect as of September 2024. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information contained herein as the only source of information relating to the consequences of the Optionee's participation in the Plan because the information may be out of date at the time the Optionee exercises the Option or sells Shares acquired under the Plan.

In addition, this Addendum is general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. **Accordingly, the Optionee should seek appropriate professional advice as to how the relevant laws in the Optionee's country apply to the Optionee's specific situation.**

If the Optionee is a citizen or resident (or is considered as such for local tax purposes) of a country other than the one in which the Optionee is currently residing and/or working, or if the Optionee transfers employment and/or residency to another country after the grant of the Option, the information contained herein may not be applicable to the Optionee in the same manner.

OPTIONEES IN THE EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA")

1. **Data Privacy.** If the Optionee resides and/or is employed in the EU / EEA, the following provision replaces Section 15 of the Agreement:

The Company is located at 5438 Wade Park Blvd, Raleigh, NC 27607, United States of America and grants Options under the Plan to employees of the Company and its Subsidiaries in its sole discretion. The Optionee should review the following information about the Company's data processing practices.

(a) **Data Collection, Processing and Usage.** Pursuant to applicable data protection laws, the Optionee is hereby notified that the Company collects, processes, and uses certain personally-identifiable information about the Optionee; specifically, including the Optionee's name, home address, email address and telephone number, date of birth, social insurance number or other number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Options or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Optionee's favor, which the Company receives from the Optionee or the Employer. In granting the Options under the Plan, the Company will collect the Optionee's personal data for purposes of allocating Shares and implementing, administering and managing

the Plan. The Company collects, processes and uses the Optionee's personal data pursuant to the Company's legitimate interest of managing the Plan and generally administering employee equity awards and to satisfy its contractual obligations under the terms of the Agreement. The Optionee's refusal to provide personal data may affect the Optionee's ability to participate in the Plan. As such, by participating in the Plan, the Optionee voluntarily acknowledges the collection, processing and use, of the Optionee's personal data as described herein.

(b) Stock Plan Administration Service Provider. The Company transfers participant data to Fidelity Stock Plan Services LLC, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). In the future, the Company may select a different Stock Plan Administrator and share the Optionee's personal data with another company that serves in a similar manner. The Stock Plan Administrator will open an account for the Optionee to receive and trade Shares acquired under the Plan. The Optionee will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Optionee's ability to participate in the Plan.

(c) International Data Transfers. The Company and the Stock Plan Administrator are based in the United States. The Company can only meet its contractual obligations to the Optionee if the Optionee's personal data is transferred to the United States. Where a legally recognized safeguard is required in order to transfer Optionee's Data outside of its originating territory, the Company will rely on standard contractual clauses adopted and approved by the European Commission or other governing body with competent jurisdiction. Where no such clauses are in place between the exporting and importing entities, then the transfer shall be a necessary restricted transfer in connection with the performance of a contract to which the data subject is a party.

(d) Data Retention. The Company will use the Optionee's personal data only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan or as required to comply with legal or regulatory obligations, including under tax and securities laws. When the Company no longer needs the Optionee's personal data, the Company will remove it from its systems. If the Company keeps the Optionee's data longer, it would be to satisfy legal or regulatory obligations and the Company's legal basis would be for compliance with relevant laws or regulations.

(e) Data Subjects Rights. The Optionee may have a number of rights under data privacy laws in the Optionee's country of residence. For example, the Optionee's rights may include the right to (i) request access or copies of personal data the Company processes, (ii) request rectification of incorrect data, (iii) request deletion of data, (iv) place restrictions on processing, (v) lodge complaints with competent authorities in the Optionee's country of residence, and/or (vi) request a list with the names and addresses of any potential recipients of the Optionee's personal data. To receive clarification regarding the Optionee's rights or to exercise his or her rights, the Optionee can consult his or her employing entity's Staff-Facing Privacy Notice or contact his or her local human resources representative.

OPTIONEES IN THE UNITED KINGDOM

Tax Obligations

This provision supplements Section 8 of the Agreement:

Without limitation to Section 8 of the Agreement, the Optionee hereby agrees that the Optionee is liable for all Tax Related Items and hereby covenants to pay all such Tax Related Items, as and when requested by the Company, or the Employer, or by HM Revenue & Customs (“HMRC”) (or any other tax authority or any other relevant authority). The Optionee also hereby agrees to indemnify and keep indemnified the Company and, if different, the Employer, against any Tax Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Optionee’s behalf.

Notwithstanding the foregoing, if the Optionee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the Optionee may not be able to indemnify the Company or the Employer for the amount of any income tax not collected from or paid by the Optionee, as it may be considered a loan. In this case, the amount of any uncollected amounts may constitute a benefit to the Optionee on which additional income tax and National Insurance Contributions may be payable. The Optionee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any National Insurance Contributions due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 8 of the Agreement.

Vontier Corporation
Subsidiaries of the Registrant

Entity Name	Jurisdiction of Incorporation
AFS Forecourt Solutions Proprietary Limited	South Africa
ANGI Energy Systems, LLC	Indiana
Autotank Holding AB	Sweden
Beacon Mobile Pty Ltd	Australia
Beacon Mobile, LLC	California
Bubbles Blocker Merger Sub, LLC	Delaware
Delpak Systems Ltd.	Israel
DH SOUTH AFRICA TRUST SUBSIDIARY PROPRIETARY	South Africa
DOMS ApS	Denmark
DOMS Metrology ApS	Denmark
DRB Systems, LLC	Ohio
Driivz, Inc.	Delaware
Driivz Ltd.	Israel
Fafnir Gmbh	Germany
Fleet Management Solutions, Inc.	California
Getpak Systems BV	Netherlands
GGC International for Maintenance	Saudi Arabia
GGC International Holdings II LLC	Delaware
GGC International Holdings LLC	Delaware
GGC International III Ltd.	United Kingdom
GGC UK Holdings II Limited	United Kingdom
GGC UK Holdings Ltd.	United Kingdom
Gilbarco (Thailand) Co. Ltd.	Thailand
Gilbarco ACIS d.o.o. Novi Sad	Serbia
Gilbarco AFS Proprietary Limited	South Africa
Gilbarco Australia Pty Ltd	Australia
Gilbarco Canada LP	Canada
Gilbarco China Co., Ltd	China
Gilbarco GmbH	Germany
Gilbarco Inc.	Delaware
Gilbarco International Inc.	Delaware
Gilbarco Italia S.r.l.	Italy
Gilbarco Latin America Andina Ltda.	Chile
Gilbarco Latin America SRL	Argentina
Gilbarco Namibia Fuel Technologies (Proprietary) Limited	Namibia
GILBARCO QUEENSLAND PTY LTD	Australia
Gilbarco Veeder Root Egypt LLC	Egypt
Gilbarco Veeder Root India Private Limited	India
Gilbarco Veeder Root Kenya Limited	Kenya

Gilbarco Veeder Root S.R.L.	Romania
Gilbarco Veeder Root Spólka Z.o.o.	Poland
Gilbarco Veeder Root, S.L.	Spain
Gilbarco Veeder-Root (Thailand) Co., Ltd.	Thailand
Gilbarco Veeder-Root AB	Sweden
Gilbarco Veeder-Root AS	Norway
Gilbarco Veeder-Root Asia Pte Ltd	Singapore
Gilbarco Veeder-Root Korea Inc.	Korea, Republic of
Gilbarco Veeder-Root Ltd.	Jersey
Gilbarco Veeder-Root North Africa	Morocco
Gilbarco Veeder-Root OÜ	Estonia
Gilbarco Veeder-Root SDN. BHD	Malaysia
Gilbarco Veeder-Root SIA	Latvia
Gilbarco Veeder-Root Soluções Indústria e Comércio Ltda.	Brazil
Gilbarco Verwaltungs GmbH	Germany
GLFD AU Holding LLC	Delaware
GLFD Holdings LLC	Delaware
GTHM Asiapac Holdings I Limited	Cayman Islands
GTHM Asiapac Holdings II Limited	Hong Kong
GTHM Asiapac Holdings III LLC	Delaware
GTHM Asiapac Holdings IV Limited	Cayman Islands
GTHM Canada Finance Ltd.	Canada
GTHM Canada Holding Ltd.	Canada
GTHM Hong Kong Limited	Hong Kong
GVR Finland Oy	Finland
GVR MENA Management Limited	United Arab Emirates
Hennessy Industries, LLC	Delaware
Intervest Srl	Argentina
Inenco Asia SDN BHD	Malaysia
Inenco Group Limited	New Zealand
Inenco i2 LLC	Delaware
Launchchange South Africa Holdings (Pty) Ltd	South Africa
LLC Orpak Ukraine	Ukraine
Logicom N.G.	Greece
Logicom S.A.	Greece
Logitron International S.à.r.l.	Luxembourg
Matco Tools Canada	Canada
Matco Tools Corporation	Delaware
Moonsilk Limited	United Kingdom
MTH Holding LLC	Delaware
Navman Wireless Australia Pty Ltd	Australia
Navman Wireless de Mexico S. de R.L. de C.V.	Mexico
Navman Wireless de Mexico Servicios, S. de R.L. de C.V.	Mexico
Navman Wireless General Partner LLC	Delaware
Navman Wireless Holdings LP	Delaware

Navman Wireless New Zealand	New Zealand
NMTC Partners Inc.	Canada
Noglia Vermögensverwaltung GmbH	Germany
Odysii Technologies Ltd.	Israel
OOO Autotank	Russian Federation
Orpak Bulgaria EOOD	Bulgaria
Orpak Latina S.p.A.	Chile
Orpak Romania S.R.L.	Romania
Orpak Systems GmbH	Germany
Orpak Systems India Private Ltd.	India
Orpak Systems Ltd	Israel
Promaks Yazılım Sanayi ve Ticaret A.S.	Turkey
R.P.S.L. Retail Petrosystems Ltd.	Cyprus
Retail Petrosystems S.R.L.	Romania
Serpak Ltd.	Israel
SmartPetro Inc.	Philippines
Sparkion Energy, LLC	Delaware
Sparkion Power Algorithms Ltd.	Israel
STE Gilbarco AFS DRC SARL	Congo, The Democratic Republic of the
Teletrac Holdings Inc.	Delaware
Teletrac Navman (UK) Ltd.	United Kingdom
Teletrac Navman US Ltd.	Delaware
Teletrac, Inc.	Delaware
TMX Acquisition LLC	Delaware
TMX Holding LLC	Delaware
Trafficmaster Traffic Services Limited	United Kingdom
Transit Solutions Proprietary Limited	South Africa
TRP Systems BV	Netherlands
Turpak Elektromanyetik Yakit İkmal Sistemleri Ticaret A.S.	Turkey
UAB Gilbarco Veeder-Root	Lithuania
Veeder-Root Company	Delaware
Veeder-Root FuelQuest, LLC	Delaware
Veeder-Root Petroleum Equipment (Shanghai) Co., Ltd.	China
Vontier Business Services LLC	Delaware
Vontier Colombia S.A.S.	Colombia
Vontier Cyprus Limited	Cyprus
Vontier Employment Services LLC	Delaware
Vontier Insurance Company	Vermont
Vontier UK Holdings Limited	United Kingdom

Vontier Corporation
List of Subsidiary Guarantors

The following subsidiaries of Vontier Corporation were, as of December 31, 2024, guarantors of the Company’s 1.800% senior unsecured notes due 2026, 2.400% senior unsecured notes due 2028, and 2.950% senior unsecured notes due 2031:

Entity Name	Jurisdiction of Incorporation
Gilbarco Inc.	Delaware
Matco Tools Corporation	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-277125) of Vontier Corporation, and
- (2) Registration Statement (Form S-4 No. 333-261232) of Vontier Corporation, and
- (3) Registration Statement (Form S-8 No. 333-249343) pertaining to Vontier Corporation 2020 Stock Incentive Plan, Vontier Corporation Executive Deferred Incentive Plan, Vontier Retirement Savings Plan, and Vontier Union Retirement Savings Plan of Vontier Corporation;

of our reports dated February 13, 2025, with respect to the consolidated financial statements and schedule of Vontier Corporation and subsidiaries and the effectiveness of internal control over financial reporting of Vontier Corporation and subsidiaries included in this Annual Report (Form 10-K) of Vontier Corporation for the year ended December 31, 2024.

/s/ Ernst & Young LLP

Raleigh, North Carolina
February 13, 2025

Certification

I, Mark D. Morelli, certify that:

1. I have reviewed this Annual Report on Form 10-K of Vontier Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2025

By: /s/ Mark D. Morelli
Mark D. Morelli
President and Chief Executive Officer

Certification

I, Anshooman Aga, certify that:

1. I have reviewed this Annual Report on Form 10-K of Vontier Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2025

By: /s/ Anshooman Aga

Anshooman Aga

Senior Vice President and Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark D. Morelli, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Vontier Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Vontier Corporation.

Date: February 13, 2025

By: /s/ Mark D. Morelli
Mark D. Morelli
President and Chief Executive Officer

This certification accompanies the Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Vontier Corporation specifically incorporates it by reference.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Anshooman Aga, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge, Vontier Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Annual Report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Vontier Corporation.

Date: February 13, 2025

By: /s/ Anshooman Aga

Anshooman Aga

Senior Vice President and Chief Financial Officer

This certification accompanies the Annual Report on Form 10-K pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that Vontier Corporation specifically incorporates it by reference.