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

FORM 10-K

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

For the fiscal year ended **December 31, 2016**
Commission File Number **0-16211**

DENTSPLY SIRONA Inc.

(Exact name of registrant as specified in its charter)

Delaware	**39-1434669**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
221 West Philadelphia Street, York, PA	**17401-2991**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(717) 845-7511**

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share	**The NASDAQ Stock Market LLC**

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 x No o

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 o No x

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 x No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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

Large accelerated filer x	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant computed by reference to the closing price as of the last business day of the registrants most recently completed second quarter June 30, 2016, was $14,454,589,603.

The number of shares of the registrant's common stock outstanding as of the close of business on February 21, 2017 was 229,680,818.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the definitive Proxy Statement of DENTSPLY SIRONA Inc. (the "Proxy Statement") to be used in connection with the 2017 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein the Proxy Statement is not deemed to be filed as part of this Form 10-K.

DENTSPLY SIRONA Inc.
Table of Contents

PART I

PART I

FORWARD-LOOKING STATEMENTS

This report contains information that may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology, including "may," "believe," "will," "expect," "anticipate," "plan," "intend," "project," "forecast," or other similar words. All statements that address operating performance, events or developments that DENTSPLY SIRONA Inc. ("Dentsply Sirona" or the "Company") expects or anticipates will occur in the future are forward-looking statements. Statements contained in this report are based on information presently available to the Company and assumptions that the Company believes to be reasonable. These risks and uncertainties include, but are not limited to, those described in Part I, Item 1A ("Risk Factors") of this Form 10-K and elsewhere in this report and those described from time to time in our future reports filed with the Securities and Exchange Commission. The Company is not assuming any duty to update this information if those facts change or if the assumptions are no longer believed to be reasonable. Investors are cautioned that all such statements involve risks and uncertainties, and important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

PART I

Item 1. Business

History and Overview

Dentsply Sirona is the world's largest manufacturer of professional dental products and technologies, with a 130-year history of innovation and service to the dental industry and patients worldwide. Dentsply Sirona develops, manufactures, and markets a comprehensive solutions offering including dental and oral health products as well as other consumable medical devices under a strong portfolio of world class brands. As The Dental Solutions Company™, Dentsply Sirona's products provide innovative, high-quality and effective solutions to advance patient care and deliver better, safer and faster dentistry. Dentsply Sirona's global headquarters is located in York, Pennsylvania, and the international headquarters is based in Salzburg, Austria. The Company's shares of common stock are listed in the United States on NASDAQ under the symbol XRAY.

On February 29, 2016 DENTSPLY International Inc. merged with Sirona Dental Systems, Inc. ("Sirona") in an all-stock transaction and the registrant was named DENTSPLY SIRONA Inc. (the "Merger"). DENTSPLY International Inc. dates its history to 1899, as a designer, developer, manufacturer and marketer of a broad range of consumable dental products for the professional dental market. The Company also manufactures and markets other consumable medical device products. Sirona Dental Systems, Inc. dates its history back to 1882, as a designer, developer, manufacturer and marketer of technologically-advanced dental equipment. Both Companies have long traditions of innovation in the dental industry. The Company introduced the first dental electric drill over 130 years ago, the first dental X-ray unit approximately 100 years ago, the first dental computer-aided design/computer-aided manufacturing (CAD/CAM) system 30 years ago, and numerous other significant innovations including pioneering ultrasonic scaling to increase the speed, effectiveness and comfort of cleaning and revolutionizing both file and apex locater technology to make root canal procedures easier and safer. Dentsply Sirona continues to make significant investments in research and development ("R&D"), and its track record of innovative and profitable new products continues today. Detail of the Merger can be found in Note 4 Business Combinations, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Unless otherwise stated herein, reference throughout this Form 10-K to "Dentsply Sirona", or the "Company" refers to financial information and transactions of DENTSPLY International Inc. ("DENTSPLY") prior to February 29, 2016 and to financial information and transactions of DENTSPLY SIRONA Inc., thereafter.

Dental products and equipment accounted for approximately 92% of Dentsply Sirona's consolidated net sales and 91% of Dentsply Sirona's consolidated net sales, excluding precious metal content, for the year ended December 31, 2016. The remaining consolidated net sales, excluding precious metal content, are primarily related to consumable medical device products and the materials sold to the investment casting industry. The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), and is therefore considered a non-US GAAP measure. This non-US GAAP measure is discussed further in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this form 10-K and a reconciliation of net sales to net sales, excluding precious metal content, is provided.

During the first quarter of 2016, the Company realigned reporting responsibilities as a result of the Merger and changed the management structure. The Company conducts its business through two operating segments, Dental and Healthcare Consumables and Technologies. Prior period segment information has been recast to conform to the 2016 presentation.

The Company conducts its business in the United States of America ("U.S."), as well as in over 120 foreign countries, principally through its foreign subsidiaries. Dentsply Sirona has a long-established presence in the European market, particularly in Germany, Sweden, France, the United Kingdom ("UK"), Switzerland and Italy, as well as in Canada. The Company also has a significant market presence in the countries of the Commonwealth of Independent States ("CIS"), Central and South America, the Middle-East region and the Pacific Rim.

Geographic Information

For 2016, 2015 and 2014, the Company's net sales, excluding precious metal content, to customers outside the U.S., including export sales, accounted for approximately 64%, 63% and 66%, respectively, of consolidated net sales, excluding precious metal content. Reference is made to the information about the Company's U.S. and foreign sales by shipment origin set forth in Note 5, Segment and Geographic Information, to the consolidated financial statements in this Form 10-K.

Segment Information

Information regarding the Company's operating segments for the years ended December 31, 2016, 2015 and 2014 can be found in Note 5, Segment and Geographic Information, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Principal Products

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. Dentsply Sirona's principal dental product categories are dental consumable products, dental laboratory products, dental specialty products and dental equipment. Additionally, the Company's consumable medical device products provide for urological and surgical applications. These products are produced by the Company in the U.S. and internationally and are distributed throughout the world under some of the most well-established brand names and trademarks in these industries, including ANKYLOS, AQUASIL ULTRA, ARTICADENT, ASTRA TECH, ATLANTIS, CALIBRA, CAULK, CAVITRON, CELTRA, CERAMCO, CERCON, CEREC, CEREC MCX, CITANEST, DAC, DELTON, DENTSPLY, DETREY, DYRACT, ESTHET.X, GALILEOS, INLAB, IN-OVATION, INTEGO, LOFRIC, MAILLEFER, MIDWEST, MTM, NUPRO, OMNICAM, ORAQIX, ORIGO, ORTHOPHOS, OSSEOSPEED, PALODENT PLUS, PEPGEN P-15, PORTRAIT, PRIME & BOND, PROFILE, PROGLIDER, PROTAPER, RECIPROC, RINN, SANI-TIP, SCHICK, SENSE, SENTALLOY, SINIUS, SIROLASER, SIRONA, SLIMLINE, STYLUS, SULTAN, SUREFIL, T1, T2, T3, T4, TENEO, THERMAFIL, TRIODENT MATRIX SYSTEMS, TRUBYTE, VIPI, WAVEONE, WELLSPECT, XENO, XIVE, XYLOCAINE and ZHERMACK.

Dental Consumable Products

Dental consumable products consist of value added dental supplies and small equipment used in dental offices for the treatment of patients. It also includes specialized treatment products used within the dental office and laboratory settings including products used in the preparation of dental appliances by dental laboratories. Net sales of dental consumable products, excluding precious metal content, accounted for approximately 46%, 60% and 59% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2016, 2015 and 2014, respectively.

Dentsply Sirona's dental supplies include endodontic (root canal) instruments and materials, dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. Small equipment products include dental handpieces, intraoral curing light systems, dental diagnostic systems and ultrasonic scalers and polishers.

The Company's products used in dental laboratories include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics and crown and bridge materials. Dental laboratory equipment products include porcelain furnaces.

Dental Technology Products

Dental technology products consist of basic and high-tech dental equipment such as treatment centers, imaging equipment and computer aided design and machining "CAD/CAM" systems equipment for dental practitioners and laboratories. The product category also includes high-tech state-of-art dental implants and related scanning equipment and treatment software, orthodontic appliances for dental practitioners and specialist and dental laboratories. The Company is the only manufacturer that can fully

outfit a dental practitioner's office with dental equipment. Net sales of dental technology products, excluding precious metal content, accounted for approximately 45%, 28% and 28% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2016, 2015 and 2014.

Treatment centers comprise a broad range of products from basic dentist chairs to sophisticated chair-based units with integrated diagnostic, hygiene and ergonomic functionalities, as well as specialist centers used in preventative treatment and for training purposes. Imaging systems consist of a broad range of diagnostic imaging systems for 2D or 3D, panoramic, and intra-oral applications. Dental CAD/CAM Systems are products designed for dental offices and laboratories used for dental restorations, which includes several types of restorations, such as inlays, onlays, veneers, crowns, bridges, copings and bridge frameworks made from ceramic, metal or composite blocks. This product line also includes high-tech CAD/CAM techniques of CEramic REConstruction, or CEREC, equipment. This equipment allows for in-office application that enables dentists to produce high quality restorations from ceramic material and insert them into the patient's mouth during a single appointment. CEREC has a number of advantages compared to the traditional out-of-mouth pre-shaped restoration method, as CEREC does not require a physical model, restorations can be created in the dentist's office and the procedure can be completed in a single visit. The Company estimates that at December 31, 2016 the market penetration for in-office CAD/CAM systems in the U.S. and Germany was approximately 16% to 17%.

Healthcare Consumable Products

Healthcare consumable products consist mainly of urology catheters, certain surgical products, medical drills and other non-medical products. Net sales of healthcare consumable products, excluding precious metal content, accounted for approximately 9%, 12% and 13% of the Company's consolidated net sales, excluding precious metal content, for the years ended December 31, 2016, 2015 and 2014, respectively.

Markets, Sales and Distribution

The Company believes that the market for its products will grow over the long-term based on the following factors:

- Increasing worldwide population.
- Aging population in developed countries requires more dental care and is well positioned to pay for the required procedures since it controls sizable amounts of discretionary income.
- Natural teeth are being retained longer - Individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.
- Earlier preventive care and a growing demand for aesthetic dentistry - Dentistry has evolved from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on preventive care and cosmetic dentistry.
- Increasing demands for patient comfort and ease of product use and handling.
- Increasing demand for more efficiency and better workflow in the dental office, including digital and integrated solutions.
- Per capita and discretionary incomes are increasing in emerging markets. As personal incomes continue to rise in emerging economies, healthcare, including dental services, is a growing priority. Many surveys indicate the middle class population will expand significantly within these emerging markets.
- The Company's business is less susceptible than many other industries to general downturns in the economies in which it operates. Many of the products the Company offers relate to dental procedures and health conditions that are considered necessary by patients regardless of the economic environment. Dental specialty products, dental equipment and products that support discretionary dental procedures are the most susceptible to changes in economic conditions.

Dentsply Sirona employs approximately 5,000 highly trained, product-specific sales and technical staff to provide comprehensive marketing and service tailored to the particular sales and technical support requirements of its distributors, dealers and the end-users.

Dental

Dentsply Sirona distributes approximately half of its dental consumable and technology products through third-party distributors. Certain highly technical products such as dental technology equipment, dental ceramics, crown and bridge porcelain products, endodontic instruments and materials, orthodontic appliances, dental implants are often sold directly to the dental laboratory or dental professionals in some markets. For the year ended December 31, 2016, two customers, Henry Schein, Inc. and Patterson Companies, Inc., both dental distributors, each accounted for more than ten percent of consolidated net sales. At December 31, 2016, one customer, Patterson Companies, Inc., accounted for more than ten percent of the consolidated accounts receivable balance. For the year ended December 31, 2015, one customer, Henry Schein, Inc., accounted for more than ten percent of consolidated net sales. At December 31, 2015, there were no customers that accounted for ten percent or more of the consolidated accounts receivable balance. For the year ended December 31, 2014, the Company had no single customer that represented ten percent or more of consolidated net sales.

The Company has two exclusive distribution agreements with Patterson for the marketing and sales of certain legacy Sirona products and equipment in the United States and one similar agreement in Canada. In order to maintain exclusivity, certain purchase targets had to be achieved. In the fourth quarter 2016, the decision not to extend the exclusivity beyond September 2017 was announced. The Company's relationship with Patterson remains strong, and the Company expects to continue to distribute the products and equipment underlying the agreements through Patterson on a non-exclusive basis. However, the disruption caused by the announcement of the termination of exclusivity, as well as a reduction in Patterson sales resources, negatively impacted fourth quarter sales. Additionally, Patterson began to reduce inventories in both the United States and Canada, which further negatively impacted the Company's reported sales in the fourth quarter by approximately $30 million. These factors are expected to continue in 2017. The Company is evaluating its options for additional channels of distribution for such products, although no firm decisions have been reached as of the date of this filing. The Company anticipates that the continuation of the inventory reduction could unfavorably impact sales in 2017 by approximately $50 million as Patterson reduces inventory in some periods and as other market channels are brought on-line in other periods. Notwithstanding the foregoing, the Company believes end-user demand for its products continues to be strong.

Although many of its dental sales are made to distributors, dealers and importers, Dentsply Sirona focuses much of its marketing efforts on the dentists, dental hygienists, dental assistants, dental laboratories and dental schools which are the end-users of its products. As part of this end-user "pull through" marketing approach, the Company conducts extensive distributor, dealer and end-user marketing programs. Additionally, the Company trains laboratory technicians, dental hygienists, dental assistants and dentists in the proper use of its products and introduces them to the latest technological developments at its educational courses conducted throughout the world. The Company also maintains ongoing consulting and educational relationships with various dental associations and recognized worldwide opinion leaders in the dental field.

Medical

The Company's urology products are sold directly in approximately 15 countries throughout Europe and North America, and through distributors in approximately 20 additional markets. The Company's largest markets include the UK, Germany and France. Key customers include urologists, urology nurses, general practitioners and direct-to-patients.

Historical reimbursement levels within Europe have been higher for intermittent catheters which explain a greater penetration of single-use catheter products in that market. In the United States, which the Company considers an important growth market, the reimbursement environment has improved since 2008 as the infection control cost benefits of disposable catheters gain acceptance among payers.

The Company's surgery products are sold directly in approximately 13 countries and through distributors in approximately 20 additional markets. The Company's largest markets include Australia, Norway and the UK. Key customers include surgeons, hospital nurses, physiotherapists, hospital purchasing departments and medical supply distributors.

The Company also maintains ongoing consulting and educational relationships with various medical associations and recognized worldwide opinion leaders in this field.

Product Development

Innovation and successful product development are critical to keeping market leadership position in key product categories and growing market share in other products categories while strengthening the Company's prominence in the dental and medical markets that it serves. While many of Dentsply Sirona's existing products undergo brand extensions, the Company also continues to focus efforts on successfully launching innovative products that represent fundamental change.

New advances in technology are also anticipated to have a significant influence on future products in dentistry and in select areas of healthcare. As a result, the Company pursues research and development initiatives to support this technological development, including collaborations with external research institutions, dental and medical schools. Through its own internal research centers as well as through its collaborations with external research institutions, dental and medical schools, the Company directly invested $128.5 million, $74.9 million and $80.8 million in 2016, 2015 and 2014, respectively, in connection with the development of new products, improvement of existing products and advances in technology. The year-over-year investment for all years was reduced by foreign currency translation, which increased reported expense variations. The continued development of these areas is a critical step in meeting the Company's strategic goal as a leader in defining the future of dentistry and in select areas in health care.

In addition to the direct investment in product development and improvement, the Company also invests in these activities through acquisitions, by entering into licensing agreements with third parties, and by purchasing technologies developed by third parties.

Acquisition Activities

During September 2016, the Company finalized the acquisitions of MIS Implants Technologies Ltd. ("MIS"), a dental implant systems manufacturer headquartered in northern Israel, and a small acquisition of a healthcare consumable business. MIS is a growing and profitable manufacturer of dental implant systems. MIS is a leader in the value segment of the market, selling its products under the MIS brand through a wide distribution network that includes a direct sales force, reaching over 65 countries.

Dentsply Sirona believes that the dental consumable and technology products industries continue to experience consolidation with respect to both product manufacturing and distribution, although they remain fragmented thereby creating a number of acquisition opportunities. Dentsply Sirona also seeks to expand its position in healthcare consumable products through acquisitions.

The Company views acquisitions as a key part of its growth strategy. These acquisition activities are intended to supplement the Company's core growth and assure ongoing expansion of its business, including new technologies, additional products, organizational strength and geographic breadth.

Operating and Technical Expertise

Dentsply Sirona believes that its manufacturing capabilities are important to its success. The manufacturing processes of the Company's products require substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products. The Company endeavors to automate its global manufacturing operations in order to improve quality and customer service and lower costs.

Financing

Information about Dentsply Sirona's working capital, liquidity and capital resources is provided in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-K.

Competition

The Company conducts its operations, both domestic and foreign, under highly competitive market conditions. Competition in the dental and healthcare consumable products and dental technology product industries is based primarily upon product performance, quality, safety and ease of use, as well as price, customer service, innovation and acceptance by clinicians, technicians and patients. Dentsply Sirona believes that its principal strengths include its well-established brand names, its reputation for high quality and innovative products, its leadership in product development and manufacturing, its global sales force, the breadth of its product line and distribution network, its commitment to customer satisfaction and support of the Company's products by dental and medical professionals.

The size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company.

Regulation

The development, manufacture, sale and distribution of the Company's products are subject to comprehensive governmental regulation both within and outside the United States. The following sections describe certain, but not all, of the significant regulations that apply to the Company. For a description of the risks related to the regulations that the Company is subject to, please refer to Item 1A. "Risk Factors" of this Form 10-K.

Certain of the Company's products are classified as medical devices and are subject to restrictions under domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders, including, but not limited to, the United States Food, Drug, and Cosmetic Act (the "FDCA"), Council Directive 93/42/EEC on Medical Devices (MDD) (1993) in the European Union (and implementing and local measures adopted thereunder) and similar international laws and regulations. The FDCA requires these products, when sold in the United States, to be safe and effective for their intended use and to comply with the regulations administered by the United States Food and Drug Administration ("FDA"). Certain medical device products are also regulated by comparable agencies in non-U.S. countries in which they are produced or sold.

Dental and medical devices of the types sold by Dentsply Sirona are generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. In the European Union, Dentsply Sirona's products are subject to the medical devices laws of the various member states, which are based on a Directive of the European Commission. Such laws generally regulate the safety of the products in a similar way to the FDA regulations. Dentsply Sirona products in Europe bear the CE mark showing that such products adhere to European regulations.

All dental amalgam filling materials, including those manufactured and sold by Dentsply Sirona, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state, federal and foreign lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA, the National Institutes of Health and the U.S. Public Health Service have each indicated that there are no demonstrated direct adverse health effects due to exposure to dental amalgam. In response to concerns raised by certain consumer groups regarding dental amalgam, the FDA formed an advisory committee in 2006 to review peer-reviewed scientific literature on the safety of dental amalgam. In July 2009, the FDA concluded its review of dental amalgam, confirming its use as a safe and effective restorative material. Also, as a result of this review, the FDA classified amalgam and its component parts, elemental mercury and powder alloy, as a Class II medical device. Previously there was no classification for encapsulated amalgam, and dental mercury (Class I) and alloy (Class II) were classified separately. This new regulation places encapsulated amalgam in the same class of devices as most other restorative materials, including composite and gold fillings, and makes amalgam subject to special controls by the FDA. In that respect, the FDA recommended that certain information about dental amalgam be provided, which includes information indicating that dental amalgam releases low levels of mercury vapor, and that studies on people ages six and over as well as FDA estimated exposures of children under six, have not indicated any adverse health risk associated with the use of dental amalgam. After the FDA issued this regulation, several petitions were filed asking the FDA to reconsider its position. Another advisory panel was established by the FDA to consider these petitions. Hearings of the advisory panel were held in December 2010. The FDA has taken no action indicating a change in its position as of the filing date of this Form 10-K.

In Europe, particularly in Scandinavia and Germany, the contents of mercury in amalgam filling materials have been the subject of public discussion. As a consequence, in 1994 the German health authorities required suppliers of dental amalgam to amend the instructions for use of amalgam filling materials to include a precaution against the use of amalgam for children less than eighteen years of age and to women of childbearing age. Additionally, some groups have asserted that the use of dental amalgam should be prohibited because of concerns about environmental impact from the disposition of mercury within dental amalgam, which has resulted in the sale of mercury containing products being banned in Sweden and severely curtailed in Norway. In the United States, the Environmental Protection Agency proposed in September 2014 certain effluent limitation guidelines and standards under the Clean Water Act to help cut discharges of mercury-containing dental amalgam to the environment. The rule would require affected dentists to use best available technology (amalgam separators) and other best management practices to control mercury discharges to publicly-owned treatment works. Similar regulations exist in Europe and in February 2016, the European Union adopted a ratification package regarding the United Nations Minamata Convention on Mercury, proposing rules restricting the use of dental amalgam to the encapsulated form and requiring the use of separators by dentists. The Company strongly recommends adherence to the American Dental Association's Best Management Practices for Amalgam Waste and includes this in every package of dental amalgam. Dentsply Sirona also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

The Company is also subject to domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders regarding anti-bribery and anti-corruption, including, but not limited to, the United States Foreign Corrupt Practices Act ("FCPA"), the U.S. Federal Anti-Kickback Statute, the United Kingdom's Bribery Act 2010 (c.23), Brazil's Clean Company Act 2014 (Law No. 12,846) China's National Health and Family Planning Commission (NHFPC) circulars No. 40 and No. 50, and similar international laws and regulations. The United States Foreign Corrupt Practices Act and similar anti-bribery laws applicable in non-United States jurisdictions generally prohibit companies and their intermediaries from improperly offering or paying anything of value to foreign government officials for the purpose of obtaining or retaining business. Some of our customer relationships are with governmental entities and therefore may be subject to such anti-bribery laws. The U. S. Federal Anti-Kickback Statute and similar anti-corruption laws applicable in non-United States jurisdictions prohibit persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing or arranging for a good or service, for which payment may be made under a health care program, such as, in the United States, Medicare or Medicaid. In the sale, delivery and servicing of our products to other countries, we must also comply with various domestic and foreign export control and trade embargo laws and regulations, including those administered by the Department of Treasury's Office of Foreign Assets Control ("OFAC"), the Department of Commerce's Bureau of Industry and Security ("BIS") and similar international governmental agencies, which may require licenses or other authorizations for transactions relating to certain countries and/or with certain individuals identified by the respective government. Despite our internal compliance program, our policies and procedures may not always protect us from reckless or criminal acts committed by our employees or agents. Violations of these requirements are punishable by criminal or civil sanctions, including substantial fines and imprisonment.

The Company is subject to domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders governing data privacy and transparency, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (the "HITECH Act"), the Physician Payments Sunshine Provisions of the Patient Protection and Affordable Care Act, the EU Directive 2002/58/EC (and implementing and local measures adopted thereunder), France's Data Protection Act of 1978 (rev. 2004) and France's Loi Bertrand, certain rules issued by Denmark's Health and Medicines Authority, and similar international laws and regulations. HIPAA, as amended by the HITECH Act, and similar data-privacy laws applicable in non-United States jurisdictions, restrict the use and disclosure of personal health information, mandate the adoption of standards relating to the privacy and security of individually identifiable health information and require us to report certain breaches of unsecured, individually identifiable health information. The Physician Payments Sunshine Provisions of the Patient Protection and Affordable Care Act require the Company to record all transfers of value to physicians and teaching hospitals and to report this data to the Centers for Medicare and Medicaid Services for public disclosure. Similar reporting requirements have also been enacted in several states, and an increasing number of countries worldwide either have adopted or are considering similar laws requiring transparency of interactions with health care professionals.

The Company believes it is in substantial compliance with the laws and regulations that regulate its business.

Sources and Supply of Raw Materials and Finished Goods

The Company manufactures the majority of the products sold by the Company. Most of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are typically available from numerous sources. No single supplier accounts for more than 10% of Dentsply Sirona's supply requirements.

Intellectual Property

Products manufactured by Dentsply Sirona are sold primarily under its own trademarks and trade names. Dentsply Sirona also owns and maintains more than 3,500 patents throughout the world and is licensed under a number of patents owned by others.

Dentsply Sirona's policy is to protect its products and technology through patents and trademark registrations both in the U.S. and in significant international markets. The Company carefully monitors trademark use worldwide and promotes enforcement of its patents and trademarks in a manner that is designed to balance the cost of such protection against obtaining the greatest value for the Company. Dentsply Sirona believes its patents and trademark properties are important and contribute to the Company's marketing position but it does not consider its overall business to be materially dependent upon any individual patent or trademark. Additional information regarding certain risks related to our intellectual property is included in Part I, Item 1A "Risk Factors" of this Form 10-K and is incorporated herein by reference.

Employees

At December 31, 2016, the Company and its subsidiaries employed approximately 15,700 employees. Of these employees, approximately 3,800 were employed in the United States and 11,900 in countries outside of the United States. Less than 5% of employees in the United States are covered by collective bargaining agreements. Some employees outside of the United States are covered by collective bargaining, union contract or other similar type programs. The Company believes that it generally has a positive relationship with its employees.

Environmental Matters

Dentsply Sirona believes that its operations comply in all material respects with applicable environmental laws and regulations. Maintaining this level of compliance has not had, and is not expected to have, a material effect on the Company's capital expenditures or on its business.

Other Factors Affecting the Business

Approximately two-thirds of the Company's sales are located in regions outside the U.S., and the Company's consolidated net sales can be impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity as a number of the Company's manufacturing and distribution operations are located outside of the U.S.

The Company's business is subject to quarterly fluctuations of consolidated net sales and net income. The Company typically implements most of its price changes in the beginning of the first or fourth quarter. Price changes, other marketing and promotional programs as well as the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period. Sales for the industry and the Company are generally strongest in the second and fourth calendar quarters and weaker in the first and third calendar quarters, due to the effects of the items noted above and due to the impact of holidays and vacations, particularly throughout Europe.

The Company tries to maintain short lead times within its manufacturing, as such, the backlog on products is generally not material to the financial statements.

Securities Exchange Act Reports

The U.S. Securities and Exchange Commission ("SEC") maintains a website that contains reports, proxy and information statements, and other information regarding issuers, including the Company, that file electronically with the SEC. The public can obtain any documents that the Company files with the SEC at http://www.sec.gov. The Company files annual reports, quarterly reports, proxy statements and other documents with the SEC under the Securities Exchange Act of 1934, as amended ("Exchange Act"). The public may read and copy any materials the Company files with the SEC at its Public Reference Room at the following address:

The Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

The public may obtain information on the operation of this Public Reference Room by calling the SEC at 1-800-SEC-0330.

Dentsply Sirona also makes available free of charge through its website at www.dentsplysirona.com its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such materials are filed with or furnished to the SEC.

Item 1A. Risk Factors

The following are the significant risk factors that could materially impact Dentsply Sirona's business, financial condition or future results. The order in which these factors appear should not be construed to indicate their relative importance or priority.

Dentsply Sirona may be unable to integrate successfully DENTSPLY's and Sirona's businesses and realize the anticipated benefits of the Merger.

The success of the Merger will depend, in large part, on the ability of Dentsply Sirona to realize the anticipated benefits, including revenue and cost synergies, from combining DENTSPLY and Sirona's businesses. To realize these anticipated benefits, DENTSPLY and Sirona's businesses must be successfully integrated. This integration will be complex and time consuming. The failure to integrate successfully and to manage successfully the challenges presented by the integration process may result in Dentsply Sirona not fully achieving the anticipated benefits of the Merger. Potential difficulties Dentsply Sirona may encounter as part of the integration process include, but are not limited to, the following:

- the inability to successfully combine DENTSPLY and Sirona's businesses in a manner that permits Dentsply Sirona to achieve the full revenue and cost synergies anticipated to result from the Merger;
- complexities associated with managing the combined businesses, including the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- coordinating geographically separated organizations, systems and facilities;
- addressing possible differences in business backgrounds, corporate cultures and management philosophies;
- integrating the workforces of the two companies while maintaining focus on providing consistent, high quality customer service;
- potential unknown liabilities and unforeseen increased or new expenses, delays or regulatory conditions associated with the Merger;
- Dentsply Sirona's current and prospective employees may experience uncertainty about their roles within Dentsply Sirona following the Merger, which may have an adverse effect on the ability of Dentsply Sirona to attract or retain key management and other key personnel; and
- No assurance can be given that Dentsply Sirona will be able to attract or retain key management personnel and other key employees to the same extent that DENTSPLY and Sirona have previously been able to attract or retain employees, which could have a negative impact on their respective businesses.

In addition, given that DENTSPLY and Sirona operated independently until the completion of the Merger, it is possible that the integration process could result in:

- diversion of the attention of Dentsply Sirona's management;
- disruption of existing relationships with distributors, suppliers and other manufacturers in the industry that drive a substantial amount of revenues to Dentsply Sirona; and
- the disruption of, or the loss of momentum in, Dentsply Sirona's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect Dentsply Sirona's ability to maintain relationships with customers, suppliers, employees and other constituencies, Dentsply Sirona's ability to achieve the anticipated benefits of the Merger, or which could reduce Dentsply Sirona's earnings or otherwise adversely affect the business and financial results of Dentsply Sirona.

The future results of Dentsply Sirona will suffer if Dentsply Sirona does not effectively manage its expanded operations following the Merger.

The size of the business of the Dentsply Sirona will increase significantly beyond the size of either DENTSPLY or Sirona's business prior to the Merger. Dentsply Sirona's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that Dentsply Sirona will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements and other benefits currently anticipated from the Merger.

The success of our business depends in part on achieving our strategic objectives, including through acquisitions and dispositions.

With respect to acquisitions and dispositions of assets and businesses, the Company may not achieve expected returns and other benefits associated with business combinations as a result of various factors, including integration and collaboration challenges, such as personnel and technology. In addition, the Company may not achieve anticipated synergies from related integration activities. However, the Company continues to evaluate the potential disposition of assets and businesses that may no longer help the Company achieve its strategic objectives, and to view acquisitions as a key part of its growth strategy.

After reaching an agreement with a buyer or seller for the acquisition or disposition of a business, the transaction may remain subject to necessary regulatory and governmental approvals on acceptable terms as well as the satisfaction of pre-closing conditions, which may prevent the Company from completing the transaction in a timely manner, or at all. From a workforce perspective, risks associated with acquisitions and dispositions include, among others, delays in anticipated workforce reductions, additional unexpected costs, changes in restructuring plans that increase or decrease the number of employees affected, negative impacts on the Company's relationship with labor unions, adverse effects on employee morale, and the failure to meet operational targets due to the loss of employees, any of which may impair the Company's ability to achieve anticipated cost reductions or may otherwise harm its business, and could have a material adverse effect on its competitive position, results of operations, cash flows or financial condition.

When the Company decides to sell assets or a business, the Company may encounter difficulty in finding buyers or executing alternative exit strategies on acceptable terms in a timely manner, which could delay the accomplishment of its strategic objectives. Alternatively, the Company may dispose of a business at a price or on terms that are less than the Company had anticipated, or with the exclusion of assets that must be divested or run off separately. Dispositions may also involve continued financial involvement in a divested business, such as through continuing equity ownership, transition service agreements, guarantees, indemnities or other current or contingent financial obligations. Under these arrangements, performance by the acquired or divested business, or other conditions outside the Company's control, could affect its future financial results.

In the context of acquisitions, there can be no assurance that the Company will achieve any of the benefits that it might anticipate from such an acquisition and the attention and effort devoted to the integration of an acquired business could divert management's attention from normal business operations. If the Company makes acquisitions, it may incur debt, assume contingent liabilities and/or additional risks, or create additional expenses, any of which might adversely affect its financial results. Any financing that the Company might need for acquisitions may only be available on terms that restrict its business or that impose additional costs that reduce its operating results.

Recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending could adversely affect our business, financial condition or results of operations.

Our results of operations and financial condition could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory and other influences. It has undergone, and is in the process of undergoing, significant changes driven by efforts to reduce costs. These changes include legislative healthcare reform, the reduction of spending budgets by government and private insurance programs, such as Medicare, Medicaid and corporate health insurance plans; trends toward managed care; consolidation of healthcare distribution companies; consolidation of healthcare manufacturers; collective purchasing arrangements and consolidation among office-based healthcare practitioners; and changes in reimbursements to customers. Some of these potential changes may cause a decrease in demand for and/or reduce the prices of Dentsply Sirona's products. These changes could adversely affect Dentsply Sirona's revenues and profitability. In addition, similar legislative efforts in the future could adversely impact Dentsply Sirona's business.

The Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act, each enacted in March 2010, (the "Health Care Reform Law"), made major changes to the way health care is financed by both governmental and private payors. Certain provisions of the Health Care Reform Law (and rules issued thereunder) could affect us adversely by increasing provider costs, shrinking the pool of covered persons, or restricting coverage of related services. The Health Care Reform Law contains many provisions designed to generate the revenues necessary to fund the coverage expansions and to reduce costs of Medicare and Medicaid. One such provision that began in 2013 imposed a 2.3% excise tax on domestic sales of many medical devices by manufacturers and importers. This adversely affected sales and cost of goods sold through December 31, 2015. This provision was temporarily suspended through December 31, 2017, which may adversely affect sales and cost of goods sold thereafter if not repealed. The Health Care Reform Law may also adversely affect payors by increasing their medical cost trends, which could have an effect on the industry and potentially impact our business and revenue as payors seek to offset these increases by reducing costs in other areas, although the extent of this impact is currently unknown. Additionally, further federal and state proposals for health care reform are likely as a result of the U.S. elections in November 2016, and the Health Care Reform

Law may be invalidated, in whole or in part, or it may be repealed. We cannot predict what further reform proposals, if any, will be adopted, when they may be adopted, or what impact they may have on us.

In certain international markets, particularly in European Union member countries and other countries whose marketplaces are dominated by government-administered healthcare programs, government and regulatory programs have a more significant impact than in other markets. Changes to these programs could have a negative impact on the Company's results.

Inadequate levels of reimbursement from governmental or other third-party payors for procedures using Dentsply Sirona's products may cause Dentsply Sirona's revenue to decline.

Third-party payors, including government health administration authorities, private health care insurers and other organizations regulate the reimbursement of fees related to certain diagnostic procedures or medical treatments. Third-party payors are increasingly challenging the price and cost-effectiveness of medical products and services. While Dentsply Sirona cannot predict what effect the policies of government entities and other third-party payors will have on future sales of our products, there can be no assurance that such policies would not cause Dentsply Sirona's revenue to decline.

Negative changes in the dental or medical device markets or prolonged negative economic conditions in domestic and global markets in which the Company operates may adversely affect the Company's financial condition or results of operations.

Notwithstanding that the Company believes that its business is less susceptible than many other industries to general economic downturns, the success of the Company is dependent upon the continued strength of the dental and medical device markets and is also somewhat dependent upon the general economic environments of the regions in which it operates. Negative changes to these markets and economies could materially impact the Company's results of operations and financial condition. In many markets, dental reimbursement is largely out of pocket for the consumer and thus utilization rates can vary significantly depending on economic growth. For instance, data suggests that the utilization of dental services by working age adults in the U.S. may have declined over the last several years. Prolonged negative changes in domestic and global economic conditions or disruptions of either or both of the financial and credit markets may affect the Company's supply chain and the customers and consumers of the Company's products and may have a material adverse effect on the Company's results of operations, financial condition and liquidity. The June 2016 U.K. referendum in which voters approved an exit from the European Union ("Brexit") and the likely withdrawal of the U.K. from the European Union as a result may create further global economic uncertainty, which may cause our current and future customers to closely monitor their costs and reduce their spending on our products and services. Given the lack of comparable precedent, it is unclear how Brexit may negatively impact the economies of the U.K., the European Union and other nations. However, any of these effects of Brexit, among others, could adversely affect our financial position, results of operation or cash flows.

Due to the Company's international operations, the Company is exposed to the risk of changes in foreign exchange rates.

Due to the international nature of Dentsply Sirona's business, movements in foreign exchange rates may impact the consolidated statements of operations. With approximately two-thirds of the Company's sales located in regions outside the U.S., the Company's consolidated net sales are impacted negatively by the strengthening or positively by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity as a number of the Company's manufacturing and distribution operations are located outside of the U.S. Changes in exchange rates may have a negative effect on the Company's customers' access to credit as well as on the underlying strength of particular economies and dental markets. Although the Company may use certain financial instruments to attempt to mitigate market fluctuations in foreign exchange rates, there can be no assurance that such measures will be effective or that they will not create additional financial obligations on the Company. Additionally, as a result of Brexit, global markets and foreign currencies may be adversely impacted. In particular, the value of the British pound has declined as compared to the U.S. dollar and other currencies. This volatility in foreign currencies is expected to continue as the U.K. negotiates and executes its exit from the European Union, but it is uncertain over what time period this will occur. A significantly weaker British pound compared to the U.S. dollar could have a negative effect on our business, financial condition and results of operations. Further, policy changes resulting from the November 2016 U.S. elections could also affect foreign exchange markets.

Dentsply Sirona hedging and cash management transactions may expose Dentsply Sirona to loss or limit Dentsply Sirona's potential gains.

As part of Dentsply Sirona's risk management program, we use foreign currency exchange forward contracts. While intended to reduce the effects of exchange rate fluctuations, these transactions may limit Dentsply Sirona's potential gains or expose Dentsply Sirona to loss. Should Dentsply Sirona's counterparties to such transactions or the sponsors of the exchanges through which these

transactions are offered fail to honor their obligations due to financial distress or otherwise, we would be exposed to potential losses or the inability to recover anticipated gains from these transactions.

We enter into foreign currency exchange forward contracts as economic hedges of trade commitments or anticipated commitments denominated in currencies other than the functional currency to mitigate the effects of changes in currency rates. Although we do not enter into these instruments for trading purposes or speculation, and although Dentsply Sirona's management believes all of these instruments are economically effective as hedges of underlying physical transactions, these foreign exchange commitments are dependent on timely performance by Dentsply Sirona's counterparties. Their failure to perform could result in Dentsply Sirona having to close these hedges without the anticipated underlying transaction and could result in losses if foreign currency exchange rates have changed.

We enter into interest rate swap agreements from time to time to manage some of Dentsply Sirona's exposure to interest rate volatility. These swap agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements. In addition, these arrangements may not be effective in reducing Dentsply Sirona's exposure to changes in interest rates. If such events occur, Dentsply Sirona's results of operations may be adversely affected.

Most of Dentsply Sirona's cash deposited with banks is not insured and would be subject to the risk of bank failure. Dentsply Sirona's total liquidity also depends in part on the availability of funds under Dentsply Sirona's multi-currency revolving credit facility. The failure of any bank in which we deposit Dentsply Sirona's funds or that is part of Dentsply Sirona's multi-currency revolving credit facility could reduce the amount of cash we have available for operations and additional investments in Dentsply Sirona's business.

Volatility in the capital markets or investment vehicles could limit the Company's ability to access capital or could raise the cost of capital.

Although the Company continues to have positive operating cash flow, a disruption in the credit markets may reduce sources of liquidity available to the Company. The Company relies on multiple financial institutions to provide funding pursuant to existing and/or future credit agreements, and those institutions may not be able to provide funding in a timely manner, or at all, when required by the Company. The cost of or lack of available credit could impact the Company's ability to develop sufficient liquidity to maintain or grow the Company, which in turn may adversely affect the Company's businesses and results of operations, financial condition and liquidity.

The Company also manages cash and cash equivalents and short-term investments through various institutions. There may be a risk of loss on investments based on the volatility of the underlying instruments that would not allow the Company to recover the full principal of its investments.

The Company may not be able to access or renew its precious metal consignment facilities resulting in a liquidity constraint equal to the fair market value of the precious metal value of inventory and would subject the Company to inventory valuation risk as the value of the precious metal inventory fluctuates resulting in greater volatility to reported earnings.

The Company's quarterly operating results and market price for the Company's common stock may be volatile.

Dentsply Sirona experiences fluctuations in quarterly sales and earnings due to a number of factors, many of which are substantially outside of the Company's control, including but not limited to:

- the timing of new product introductions by Dentsply Sirona and its competitors;
- timing of industry trade shows;
- changes in customer inventory levels;
- developments in government reimbursement policies;
- changes in customer preferences and product mix;
- the Company's ability to supply products to meet customer demand;
- fluctuations in manufacturing costs;
- changes in income tax laws and incentives which could create adverse tax consequences;
- fluctuations in currency exchange rates; and
- general economic conditions, as well as those specific to the healthcare and related industries.

As a result, the Company may fail to meet the expectations of securities analysts and investors, which could cause its stock price to decline. Quarterly fluctuations generally result in net sales and operating profits historically being higher in the second and fourth quarters. The Company typically implements most of its price changes early in the fourth quarter or beginning of the

year. These price changes, other marketing and promotional programs, which are offered to customers from time to time in the ordinary course of business, the management of inventory levels by distributors and the implementation of strategic initiatives, may impact sales levels in a given period. Net sales and operating profits generally have been lower in the first and third quarters, primarily due not only to increased sales in the quarters preceding these quarters, but also due to the impact of holidays and vacations, particularly throughout Europe.

In addition to fluctuations in quarterly earnings, a variety of other factors may have a significant impact on the market price of Dentsply Sirona's common stock causing volatility. These factors include, but are not limited to, the publication of earnings estimates or other reports and speculation in the press or investment community; changes in the Company's industry and competitors; the Company's financial condition and cash flows; any future issuances of Dentsply Sirona's common stock, which may include primary offerings for cash, stock splits, issuances in connection with business acquisitions, restricted stock and the grant or exercise of stock options from time to time; general market and economic conditions; and any outbreak or escalation of hostilities in geographical areas in which the Company does business.

Also, the NASDAQ National Market ("NASDAQ") can experience extreme price and volume fluctuations that can be unrelated or disproportionate to the operating performance of the companies listed on the NASDAQ. Broad market and industry factors may negatively affect the market price of the Company's common stock, regardless of actual operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which could harm the Company's business.

The dental and medical device supplies markets are highly competitive and there is no guarantee that the Company can compete successfully.

The worldwide markets for dental and medical products are highly competitive. There can be no assurance that the Company will successfully identify new product opportunities and develop and market new products successfully, or that new products and technologies introduced by competitors will not render the Company's products obsolete or noncompetitive. Additionally, the size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company. Certain of Dentsply Sirona's competitors may have greater resources than the Company. In addition, the Company is exposed to the risk that its competitors or its customers may introduce private label, generic, or low cost products that compete with the Company's products at lower price points. If these competitors' products capture significant market share or result in a decrease in market prices overall, this could have a negative impact on the Company's results of operations and financial condition.

The Company may be unable to develop innovative products or obtain regulatory approval for new products.

The market for Dentsply Sirona's products is characterized by rapid and significant technological change, new intellectual property associated with that technological change, evolving industry standards, and new product introductions. Additionally, Dentsply Sirona's patent portfolio continues to change with patents expiring through the normal course of their life. There can be no assurance that Dentsply Sirona's products will not lose their competitive advantage or become noncompetitive or obsolete as a result of such factors, or that we will be able to generate any economic return on the Company's investment in product development. If the Company's products or technologies lose their competitive advantage or become noncompetitive or obsolete, Dentsply Sirona's business could be negatively affected.

Dentsply Sirona has identified new products as an important part of its growth opportunities. There can be no assurance that Dentsply Sirona will be able to continue to develop innovative products and that regulatory approval of any new products will be obtained from applicable U.S. or international government or regulatory authorities, or that if such approvals are obtained, such products will be favorably accepted in the marketplace. Additionally, there is no assurance that entirely new technology or approaches to dental treatment or competitors' new products will not be introduced that could render the Company's products obsolete.

Dentsply Sirona's business is subject to extensive, complex and changing domestic and foreign laws, rules, regulations, self-regulatory codes, directives, circulars and orders that failure to comply with could subject us to civil or criminal penalties or other liabilities.

Dentsply Sirona is subject to extensive domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders which are administered by various international, federal and state governmental authorities, including, among others, the FDA, the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC"), the Bureau of Industry and Security of the United States Department of Commerce ("BIS"), the United States Federal Trade Commission, the United

States Department of Justice, the Environmental Protection Agency ("EPA"), and other similar domestic and foreign authorities. These laws, rules, regulations, self-regulatory codes, circulars and orders include, but are not limited to, the United States Food, Drug and Cosmetic Act, the European Council Directive 93/42/EEC on Medical Devices (MDD) (1993) (and implementing and local measures adopted thereunder), the U.S. Foreign Corrupt Practices Act (the "FCPA"), the U.S. Federal Anti-Kickback Statute and similar international anti-bribery and anti-corruption laws, the Physician Payments Sunshine Act, regulations concerning the supply of conflict minerals, various environmental regulations such as the Federal Water Pollution Control Act (the "Clean Water Act"), and regulations relating to trade, import and export controls and economic sanctions. Such laws, rules, regulations, self-regulatory codes, circulars and orders may be complex and are subject to change. For example, since a significant proportion of the regulatory framework in the United Kingdom is derived from EU directives and regulations, Brexit could materially affect the regulatory regime applicable to our operations and customers with operations connected to the United Kingdom. Any such changes to the regulatory regime could have a material adverse effect on our ability to adjust our solutions to comply with such changes.

Compliance with the numerous applicable existing and new laws, rules, regulations, self-regulatory codes, circulars and orders could require us to incur substantial regulatory compliance costs. Although the Company has implemented policies and procedures to comply with applicable laws, rules, regulations, self-regulatory codes, circulars and orders, there can be no assurance that governmental authorities will not raise compliance concerns or perform audits to confirm compliance with such laws, rules, regulations, self-regulatory codes, circulars and orders. Failure to comply with applicable laws, rules, regulations, self-regulatory codes, circulars or orders could result in a range of governmental enforcement actions, including fines or penalties, injunctions and/or criminal or other civil proceedings. Any such actions could result in higher than anticipated costs or lower than anticipated revenue and could have a material adverse effect on the Company's reputation, business, financial condition and results of operations.

In 2012, the Company received subpoenas from the United States Attorney's Office for the Southern District of Indiana (the "USAO") and from OFAC requesting documents and information related to compliance with export controls and economic sanctions regulations by certain of its subsidiaries. The Company also voluntarily contacted OFAC and BIS regarding compliance with export controls and economic sanctions regulations by certain other business units of the Company identified in an ongoing internal review by the Company. The Company is cooperating with the USAO, OFAC and BIS with respect to these matters.

Dentsply Sirona may be exposed to liabilities under the Foreign Corrupt Practices Act, and any determination that Dentsply Sirona violated the Foreign Corrupt Practices Act could have a material adverse effect on Dentsply Sirona's business.

To the extent that Dentsply Sirona operates outside the United States, Dentsply Sirona is subject to the FCPA which generally prohibits U.S. companies and their intermediaries from bribing foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment. In particular, Dentsply Sirona may be held liable for actions taken by Dentsply Sirona's strategic or local partners even though such partners are foreign companies that are not subject to the FCPA. Any determination that Dentsply Sirona violated the FCPA could result in sanctions that could have a material adverse effect on Dentsply Sirona's business.

If we fail to comply with laws and regulations relating to health care fraud, we could suffer penalties or be required to make significant changes to Dentsply Sirona's operations, which could adversely affect Dentsply Sirona's business.

Dentsply Sirona is subject to federal, state, local and foreign laws, rules, regulations, self-regulatory codes, circulars and orders relating to health care fraud, including, but not limited to, the U.S. Federal Anti-Kickback Statute, the United Kingdom's Bribery Act 2010 (c.23), Brazil's Clean Company Act 2014 (Law No. 12,846) and China's National Health and Family Planning Commission (NHFPC) circulars No. 49 and No. 50. Some of these laws, referred to as "false claims laws," prohibit the submission or causing the submission of false or fraudulent claims for reimbursement to federal, state and other health care payors and programs. Other laws, referred to as "anti-kickback laws," prohibit soliciting, offering, receiving or paying remuneration in order to induce the referral of a patient or ordering, purchasing, leasing or arranging for or recommending ordering, purchasing or leasing, of items or services that are paid for by federal, state and other health care payors and programs.

The government has expressed concerns about financial relationships between suppliers on the one hand and physicians and dentists on the other. As a result, we regularly review and revise Dentsply Sirona's marketing practices as necessary to facilitate compliance. In addition, under the reporting and disclosure obligations of the Physician Payment Sunshine Act and similar foreign laws, rules, regulations, self-regulatory codes, circulars and orders, such as France's Loi Bertrand and rules issued by Denmark's Health and Medicines Authority, the general public and government officials will be provided with new access to detailed information with regard to payments or other transfers of value to certain practitioners (including physicians, dentists and teaching hospitals) by applicable drug and device manufacturers subject to such reporting and disclosure obligations, which includes us. This information may lead to greater scrutiny, which may result in modifications to established practices and additional costs.

Failure to comply with health care fraud laws, rules, regulations, self-regulatory codes, circulars and orders could result in significant civil and criminal penalties and costs, including the loss of licenses and the ability to participate in federal and state health care programs, and could have a material adverse impact on Dentsply Sirona's business. Also, these laws may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require Dentsply Sirona to make changes in Dentsply Sirona's operations or incur substantial defense and settlement expenses. Even unsuccessful challenges by regulatory authorities or private relators could result in reputational harm and the incurring of substantial costs. In addition, many of these laws are vague or indefinite and have not been interpreted by the courts, and have been subject to frequent modification and varied interpretation by prosecutorial, regulatory authorities, increasing compliance risks.

While we believe that we are substantially compliant with the foregoing laws and rules, regulations, self-regulatory codes, circulars and orders promulgated thereunder, and have adequate compliance programs and controls in place to ensure substantial compliance, we cannot predict whether changes in applicable laws, rules, regulations, self-regulatory codes, circulars and orders, or the interpretation thereof, or changes in Dentsply Sirona's services or marketing practices in response, could adversely affect Dentsply Sirona's business.

If we fail to comply with domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders relating to the confidentiality of sensitive personal information or standards in electronic health data transmissions, we could be required to make significant changes to Dentsply Sirona's products, or incur penalties or other liabilities.

Certain of Dentsply Sirona's businesses involve access to personal health, medical, financial and other information of individuals, and are accordingly directly or indirectly subject to numerous federal, state, local and foreign laws, rules, regulations, self-regulatory codes, circulars and orders that protect the privacy and security of such information, and require, among other things, the implementation of various recordkeeping, operational, notice and other practices intended to safeguard that information, limit its use to allowed purposes, and notify individuals in the event of privacy and security breaches. Such laws include, but are not limited to, the Federal Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), France's Data Protection Act of 1978 (rev. 2004) and similar international laws and the rules, regulations, self-regulatory codes, circulars and orders promulgated thereunder. Failure to comply with these laws, rules, regulations, self-regulatory codes, circulars and orders can result in substantial penalties and other liabilities. As a result of the HITECH Act, which was passed in 2009, some of Dentsply Sirona's businesses that were previously only indirectly subject to HIPAA privacy and security rules became directly subject to such rules because such businesses serve as "business associates" of HIPAA covered entities, such as health care providers. On January 17, 2013, the Office for Civil Rights of the Department of Health and Human Services released a final rule implementing the HITECH Act and making certain other changes to HIPAA privacy and security requirements. Compliance with the rule was required by September 23, 2013, and increases the requirements applicable to some of Dentsply Sirona's businesses.

In addition, Dentsply Sirona's affiliates handle personally identifiable information pertaining to Dentsply Sirona's members and paying subscribers. Both Dentsply Sirona and Dentsply Sirona's affiliates are subject to domestic and foreign laws, rules, regulations, self-regulatory codes, circulars and orders related to Internet communications (including the CAN-SPAM Act of 2003, EU Directive 2002/58/EC and similar international laws and regulations), consumer protection (including the Telephone Consumer Protection Act and similar state and international laws and regulations), advertising, privacy, security and data protection, including the HITECH Act, HIPAA, France's Data Protection Act of 1978 (rev. 2004), and similar international laws regulations. If Dentsply Sirona or Dentsply Sirona's affiliates are found to be in violation of these laws, rules, regulations, self-regulatory codes, circulars or orders, Dentsply Sirona may become subject to administrative fines or litigation, which could materially increase Dentsply Sirona's expenses.

Regulations related to conflict minerals could adversely impact Dentsply Sirona's business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act and similar international regulations including consumer protection rules issued by Germany's Ministry for Consumer Protection, Food and Agriculture contains provisions designed to improve transparency and accountability concerning the supply of certain minerals, known as conflict minerals, originating from the Democratic Republic of Congo (DRC) and adjoining countries. As a result, in August 2012 the SEC adopted annual disclosure and reporting requirements for those companies who use conflict minerals mined from the DRC and adjoining countries in their products. There are additional costs associated with complying with these disclosure requirements, including for diligence to determine the sources of conflict minerals used in Dentsply Sirona's products and other potential changes to products, processes or sources of supply as a consequence of such verification activities. The implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in Dentsply Sirona's products. As there may be only a limited number of suppliers offering conflict-free minerals, we cannot be sure that we will be able to obtain necessary conflict minerals from such suppliers

in sufficient quantities or at competitive prices. Also, we may face reputational challenges if we determine that certain of Dentsply Sirona's products contain minerals not determined to be conflict free or if we are unable to sufficiently verify the origins for all conflict minerals used in Dentsply Sirona's products through the procedures we may implement.

The Company may be unable to obtain a supply for certain finished goods purchased from third parties.

A significant portion of the Company's injectable anesthetic products, orthodontic products, certain dental cutting instruments, catheters, nickel titanium products and certain other products and raw materials are purchased from a limited number of suppliers and in certain cases single source suppliers, some of which may also compete with the Company. As there are a limited number of suppliers for these products, there can be no assurance that the Company will be able to obtain an adequate supply of these products and raw materials in the future. Any delays in delivery of or shortages in these products could interrupt and delay manufacturing of the Company's products and result in the cancellation of orders for these products. In addition, these suppliers could discontinue the manufacture or supply of these products to the Company at any time or supply products to competitors. Dentsply Sirona may not be able to identify and integrate alternative sources of supply in a timely fashion or at all. Any transition to alternate suppliers may result in delays in shipment and increased expenses and may limit the Company's ability to deliver products to customers. If the Company is unable to develop reasonably priced alternative sources in a timely manner, or if the Company encounters delays or other difficulties in the supply or manufacturing of such products and other materials internally or from third parties, the Company's business and results of operations may be harmed.

Dentsply Sirona may be unable to obtain necessary product approvals and marketing clearances.

Dentsply Sirona must obtain certain approvals by, and marketing clearances from, governmental authorities, including the FDA and similar health authorities in foreign countries to market and sell Dentsply Sirona's products in those countries. These regulatory agencies regulate the marketing, manufacturing, labeling, packaging, advertising, sale and distribution of medical devices. The FDA enforces additional regulations regarding the safety of X-ray emitting devices. Dentsply Sirona's products are currently regulated by such authorities and certain of Dentsply Sirona's new products will require approval by, or marketing clearance from, various governmental authorities, including the FDA. Various states also impose similar regulations.

The FDA review process typically requires extended proceedings pertaining to the safety and efficacy of new products. A 510(k) application is required in order to market a new or modified medical device. If specifically required by the FDA, a pre-market approval, or PMA, may be necessary. Such proceedings, which must be completed prior to marketing a new medical device, are potentially expensive and time consuming. They may delay or hinder a product's timely entry into the marketplace. Moreover, there can be no assurance that the review or approval process for these products by the FDA or any other applicable governmental authority will occur in a timely fashion, if at all, or that additional regulations will not be adopted or current regulations amended in such a manner as will adversely affect us. The FDA also oversees the content of advertising and marketing materials relating to medical devices which have received FDA clearance. Failure to comply with the FDA's advertising guidelines may result in the imposition of penalties.

We are also subject to other federal, state and local laws, regulations and recommendations relating to safe working conditions, laboratory and manufacturing practices. The extent of government regulation that might result from any future legislation or administrative action cannot be accurately predicted. Failure to comply with regulatory requirements could have a material adverse effect on Dentsply Sirona's business.

Similar to the FDA review process, the EU review process typically requires extended proceedings pertaining to the safety and efficacy of new products. Such proceedings, which must be completed prior to marketing a new medical device, are potentially expensive and time consuming and may delay or prevent a product's entry into the marketplace.

Inventories maintained by the Company's customers may fluctuate from time to time.

The Company relies in part on its dealer and customer relationships and predictions of dealer and customer inventory levels in projecting future demand levels and financial results. These inventory levels may fluctuate, and may differ from the Company's predictions, resulting in the Company's projections of future results being different than expected. These changes may be influenced by changing relationships with the dealers and customers, economic conditions and customer preference for particular products. There can be no assurance that the Company's dealers and customers will maintain levels of inventory in accordance with the Company's predictions or past history, or that the timing of customers' inventory build or liquidation will be in accordance with the Company's predictions or past history.

During the fourth quarter of 2016, upon the announcement that the exclusive provisions of the agreement would expire by its terms, Patterson began to reduce inventories in both the United States and Canada, which negatively impacted the Company's reported sales in the fourth quarter. The reduction of inventory by Patterson is expected to continue in 2017 as the Company and Patterson move to a non-exclusive arrangement. The Company is evaluating its options for additional channels of distribution for subject products commencing as early as October 2017, although no firm decisions have been reached as of the date of this filing. As a result of the above, the Company's sales will likely fluctuate in 2017 on a quarter by quarter basis, as Patterson reduces inventory in some periods and as other market channels are brought on line in other periods.

Changes in or interpretations of tax rules, operating structures, country profitability mix and regulations may adversely affect the Company's effective tax rates.

The Company is a U.S. based multinational company subject to tax in multiple U.S. and foreign tax jurisdictions. Unanticipated changes in the Company's tax rates could affect its future results of operations. The Company's future effective tax rates could be unfavorably affected by factors such as changes in, or interpretation of, tax rules and regulations in the jurisdictions in which the Company does business, by structural changes in the Company's businesses, by unanticipated decreases in the amount of revenue or earnings in countries with low statutory tax rates, or by changes in the valuation of the Company's deferred tax assets and liabilities.

Challenges may be asserted against the Company's products due to real or perceived quality, health or environmental issues.

The Company manufactures and sells a wide portfolio of dental and medical device products. While the Company endeavors to ensure that its products are safe and effective, there can be no assurance that there may not be challenges from time to time regarding the real or perceived quality, health or environmental impact of the Company's products or certain raw material components of the Company's products. All dental amalgam filling materials, including those manufactured and sold by Dentsply Sirona, contain mercury. Some groups have asserted that amalgam should be discontinued because of its mercury content and/or that disposal of mercury containing products may be harmful to the environment. In the United States, the EPA proposed in September 2014 certain effluent limitation guidelines and standards under the Clean Water Act to help cut discharges of mercury-containing dental amalgam to the environment. The rule would require affected dentists to use best available technology (amalgam separators) and other best management practices to control mercury discharges to publicly-owned treatment works. Similar regulations exist in Europe and in February 2016, the European Union adopted a ratification package regarding the United Nations Minamata Convention on Mercury, proposing rules restricting the use of dental amalgam to the encapsulated form and requiring the use of separators by dentists. If governmental authorities elect to place restrictions or significant regulations on the sale and/or disposal of dental amalgam, that could have an adverse impact on the Company's sales of dental amalgam. Dentsply Sirona also manufactures and sells non-amalgam dental filling materials that do not contain mercury but that may contain bisphenol-A, commonly called BPA. BPA is found in many everyday items, such as plastic bottles, foods, detergents and toys, and may be found in certain dental composite materials or sealants either as a by-product of other ingredients that have degraded, or as a trace material left over from the manufacture of other ingredients used in such composites or sealants. The FDA currently allows the use of BPA in dental materials, medical devices, and food packaging. Nevertheless, public reports and concerns regarding the potential hazards of dental amalgam or of BPA could contribute to a perceived safety risk for the Company's products that contain mercury or BPA. Adverse publicity about the quality or safety of our products, whether or not ultimately based on fact, may have an adverse effect on our brand, reputation and operating results and legal and regulatory developments in this area may lead to litigation and/or product limitations or discontinuation.

Issues related to the quality and safety of the Company's products, ingredients or packaging could cause a product recall or discontinuation resulting in harm to the Company's reputation and negatively impacting the Company's operating results.

The Company's products generally maintain a good reputation with customers and end-users. Issues related to quality and safety of products, ingredients or packaging, could jeopardize the Company's image and reputation. Negative publicity related to these types of concerns, whether valid or not, might negatively impact demand for the Company's products or cause production and delivery disruptions. The Company may need to recall or discontinue products if they become unfit for use. In addition, the Company could potentially be subject to litigation or government action, which could result in payment of fines or damages. Cost associated with these potential actions could negatively affect the Company's operating results, financial condition and liquidity.

Product warranty claims exposure could be significant.

Dentsply Sirona generally warrants each of Dentsply Sirona's products against defects in materials and workmanship for a period of one year from the date of shipment plus any extended warranty period purchased by the customer. The future costs associated with providing product warranties could be material. A successful warranty claim brought against Dentsply Sirona could reduce Dentsply Sirona's profits and/or impair our financial condition, and damage Dentsply Sirona's reputation.

The Company's Orthodontics business is subject to risk.

The Company sources a substantial portion of its orthodontic products from a Japanese supplier under an agreement that is subject to periodic renewal. The Company also has established alternative sources of supply. The market for orthodontic products is highly competitive and subject to significant negative price pressure.

Changes in or interpretations of, accounting principles could result in unfavorable charges to operations.

The Company prepares its consolidated financial statements in accordance with US GAAP. These principles are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. Market conditions have prompted accounting standard setters to issue new guidance which further interprets or seeks to revise accounting pronouncements related to financial instruments, structures or transactions as well as to issue new standards expanding disclosures. It is possible that future accounting standards the Company would be required to adopt could change the current accounting treatment applied to the Company's consolidated financial statements and such changes could have a material adverse effect on the Company's business, results of operations, financial condition and liquidity.

If the Company's goodwill or intangible assets become impaired, the Company may be required to record a significant charge to earnings.

Under US GAAP, the Company reviews its goodwill and intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Additionally, goodwill and indefinite-lived intangible assets are required to be tested for impairment at least annually. The valuation models used to determine the fair values of goodwill or intangible assets are dependent upon various assumptions and reflect management's best estimates. Net sales growth, discount rates, earnings multiples and future cash flow projections are critical assumptions used to determine these fair values. The Company has made disclosures about the fair values of certain reporting units and indefinite-lived intangible assets approximating the book values within Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" under "Critical Accounting Judgments and Policies." Specifically included in the disclosures is one reporting unit within the Technologies segment as well as the four reporting units (three within the Technologies segment and one within the Dental and Healthcare Consumables segment) and the related indefinite-lived intangible assets created as a result of the Merger. Given the limited time since the Merger date, the indefinite-lived assets and reporting units' fair values approximate the book values of the indefinite-lived assets and reporting units. Slower net sales growth rates in the dental or medical device industries, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flow projections, among other factors, may cause a change in circumstances indicating that the carrying value of the indefinite-lived assets and goodwill in these five reporting units may not be recoverable. The Company may be required to record a significant charge to earnings in the financial statements during the period in which any impairment of these indefinite-lived assets and goodwill is determined.

The Company faces the inherent risk of litigation and claims.

The Company's business involves a risk of product liability and other types of legal actions or claims, including possible recall actions affecting the Company's products. The primary risks to which the Company is exposed are related to those products manufactured by the Company. The Company has insurance policies, including product liability insurance, covering these risks in amounts that are considered adequate; however, the Company cannot provide assurance that the maintained coverage is sufficient to cover future claims or that the coverage will be available in adequate amounts or at a reasonable cost. Also, other types of claims asserted against the Company may not be covered by insurance. A successful claim brought against the Company in excess of available insurance, or another type of claim which is uninsured or that results in significant adverse publicity against the Company, could harm its business and overall cash flows of the Company.

Various parties, including the Company, own and maintain patents and other intellectual property rights applicable to the dental and medical device fields. Although the Company believes it operates in a manner that does not infringe upon any third party intellectual property rights, it is possible that a party could assert that one or more of the Company's products infringe upon such party's intellectual property and force the Company to pay damages and/or discontinue the sale of certain products.

Dentsply Sirona's failure to obtain issued patents and, consequently, to protect Dentsply Sirona's proprietary technology could hurt Dentsply Sirona's competitive position.

Dentsply Sirona's success will depend in part on Dentsply Sirona's ability to obtain and enforce claims in our patents directed to Dentsply Sirona's products, technologies and processes, both in the United States and in other countries. Risks and uncertainties that Dentsply Sirona faces with respect to Dentsply Sirona's patents and patent applications include the following:

- the pending patent applications that Dentsply Sirona has filed, or to which Dentsply Sirona has exclusive rights, may not result in issued patents or may take longer than Dentsply Sirona expects to result in issued patents;
- the allowed claims of any patents that are issued may not provide meaningful protection;
- Dentsply Sirona may be unable to develop additional proprietary technologies that are patentable;
- the patents licensed or issued to Dentsply Sirona may not provide a competitive advantage;
- other companies may challenge patents licensed or issued to Dentsply Sirona;
- disputes may arise regarding inventions and corresponding ownership rights in inventions and know-how resulting from the joint creation or use of intellectual property by Dentsply Sirona and Dentsply Sirona's respective licensors; and
- other companies may design around the technologies patented by Dentsply Sirona.

Dentsply Sirona's profitability could suffer if third parties infringe upon Dentsply Sirona's proprietary technology.

Dentsply Sirona's profitability could suffer if third parties infringe upon Dentsply Sirona's intellectual property rights or misappropriate Dentsply Sirona's technologies and trademarks for their own businesses. To protect Dentsply Sirona's rights to Dentsply Sirona's intellectual property, Dentsply Sirona relies on a combination of patent and trademark law, trade secret protection, confidentiality agreements and contractual arrangements with Dentsply Sirona's employees, strategic partners and others. Dentsply Sirona cannot assure you that any of Dentsply Sirona's patents, any of the patents of which Dentsply Sirona are a licensee or any patents which may be issued to Dentsply Sirona or which we may license in the future, will provide Dentsply Sirona with a competitive advantage or afford Dentsply Sirona protection against infringement by others, or that the patents will not be successfully challenged or circumvented by third parties, including Dentsply Sirona's competitors. The protective steps we have taken may be inadequate to deter misappropriation of Dentsply Sirona's proprietary information. Dentsply Sirona may be unable to detect the unauthorized use of, or take appropriate steps to enforce, Dentsply Sirona's intellectual property rights. Effective patent, trademark and trade secret protection may not be available in every country in which Dentsply Sirona will offer, or intend to offer, Dentsply Sirona's products. Any failure to adequately protect Dentsply Sirona's intellectual property could devalue Dentsply Sirona's proprietary content and impair Dentsply Sirona's ability to compete effectively. Further, defending Dentsply Sirona's intellectual property rights could result in the expenditure of significant financial and managerial resources.

Dentsply Sirona's profitability may suffer if Dentsply Sirona's products are found to infringe the intellectual property rights of others.

Litigation may be necessary to enforce Dentsply Sirona's patents or to defend against any claims of infringement of patents owned by third parties that are asserted against Dentsply Sirona. In addition, Dentsply Sirona may have to participate in one or more interference proceedings declared by the United States Patent and Trademark Office, the European Patent Office or other foreign patent governing authorities, to determine the priority of inventions, which could result in substantial costs.

If Dentsply Sirona becomes involved in litigation or interference proceedings, Dentsply Sirona may incur substantial expense, and the proceedings may divert the attention of Dentsply Sirona's technical and management personnel, even if Dentsply Sirona ultimately prevails. An adverse determination in proceedings of this type could subject us to significant liabilities, allow Dentsply Sirona's competitors to market competitive products without obtaining a license from Dentsply Sirona, prohibit Dentsply Sirona from marketing Dentsply Sirona's products or require us to seek licenses from third parties that may not be available on commercially reasonable terms, if at all. If Dentsply Sirona cannot obtain such licenses, Dentsply Sirona may be restricted or prevented from commercializing Dentsply Sirona's products.

The enforcement, defense and prosecution of intellectual property rights, including the United States Patent and Trademark Office's, the European Patent Office's and other foreign patent offices' interference proceedings, and related legal and administrative proceedings in the United States and elsewhere, involve complex legal and factual questions. As a result, these proceedings are costly and time-consuming, and their outcome is uncertain. Litigation may be necessary to:

- assert against others or defend Dentsply Sirona against claims of infringement;
- enforce patents owned by, or licensed to Dentsply Sirona from, another party;
- protect Dentsply Sirona's trade secrets or know-how; or
- determine the enforceability, scope and validity of Dentsply Sirona's proprietary rights or the proprietary rights of others.

Due to the international nature of our business, including increasing exposure to markets outside of the U.S. and Europe, political or economic changes or other factors could harm our business and financial performance.

Approximately two-thirds of the Company's sales are located in regions outside the United States. In addition, we anticipate that sales outside of the U.S. and Europe will continue to expand and account for a significant portion of Dentsply Sirona's revenue. Operating internationally is subject to a number of uncertainties, including, but not limited to, the following:

- Economic and political instability;
- Import or export licensing requirements;
- Additional compliance-related risks;
- Trade restrictions and tariffs;
- Product registration requirements;
- Longer payment cycles;
- Changes in regulatory requirements and tariffs;
- Fluctuations in currency exchange rates;
- Potentially adverse tax consequences; and
- Potentially weak protection of intellectual property rights.

Certain of these risks may be heightened as a result of changing political climates, for example as a result of Brexit or the results of the November 2016 U.S. elections, both of which may lead to changes in areas such as trade restrictions and tariffs,regulatory requirements and exchange rate fluctuations, which may adversely affect our business and financial performance.

The Company's success is dependent upon its management and employees.

The Company's success is dependent upon its management and employees. The loss of senior management employees or failure to recruit and train needed managerial, sales and technical personnel, could have a material adverse effect on the Company.

The Company may be unable to sustain the operational and technical expertise that is key to its success.

Dentsply Sirona believes that its manufacturing capabilities are important to its success. The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials, technology and processes are necessary to manufacture the Company's products. There can be no assurance that the Company will be able to maintain the necessary operational and technical expertise that is key to its success.

A large number of the Company's products are manufactured in single manufacturing facilities.

Although the Company maintains multiple manufacturing facilities, a large number of the products manufactured by the Company are manufactured in facilities that are the sole source of such products. As there are a limited number of alternative suppliers for these products, any disruption at a particular Company manufacturing facility could lead to delays, increased expenses, and may damage the Company's business and results of operations.

The Company relies heavily on information and technology to operate its business networks, and any cyber-attacks or other disruption to its technology infrastructure or the Internet could harm the Company's operations.

Dentsply Sirona operates many aspects of its business including financial reporting and customer relationship management through server- and web-based technologies, and stores various types of data on such servers or with third-parties who may in turn store it on servers or in the "cloud". Any disruption to the Internet or to the Company's or its service providers' global technology infrastructure, including malware, insecure coding, "Acts of God," cyber-attacks and other attempts to penetrate

networks, data leakage and human error, could pose a threat to the Company's operations. Our network and storage applications may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or other system disruptions and the Company may be the victim of cyber-attacks, targeted at the theft of financial assets, intellectual property, personal information of individuals and customers, or other sensitive information. In some cases, it is difficult to anticipate or immediately detect such incidents and the damage caused thereby. These data breaches and any unauthorized access or disclosure of our information could compromise our intellectual property and expose sensitive business information. Cyber-attacks could also cause us to incur significant remediation costs, disrupt key business operations and divert attention of management and key information technology resources. These incidents could also subject us to liability, expose us to significant expense, or cause significant harm to our reputation, which could result in lost revenues. While Dentsply Sirona has invested and continues to invest in information technology risk management and disaster recovery plans, these measures cannot fully insulate the Company from cyber-attacks, technology disruptions or data loss and the resulting adverse effect on the Company's operations and financial results.

The Company may not generate sufficient cash flow to service its debt, pay its contractual obligations and operate the business.

Dentsply Sirona's ability to make payments on its indebtedness and contractual obligations, and to fund its operations depends on its future performance and financial results, which, to a certain extent, are subject to general economic, financial, competitive, regulatory and other factors and the interest rate environment that are beyond its control. Although senior management believes that the Company has and will continue to have sufficient liquidity, there can be no assurance that Dentsply Sirona's business will generate sufficient cash flow from operations in the future to service its debt, pay its contractual obligations and operate its business.

The Company may not be able to repay its outstanding debt in the event that cross default provisions are triggered due to a breach of loan covenants.

Dentsply Sirona's existing borrowing documentation contains a number of covenants and financial ratios, which it is required to satisfy. Any breach of any such covenants or restrictions, the most restrictive of which pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income excluding depreciation and amortization of interest expense, would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle Dentsply Sirona's other lenders to accelerate their loans. Dentsply Sirona may not be able to meet its obligations under its outstanding indebtedness in the event that any cross default provisions are triggered.

Dentsply Sirona has a significant amount of indebtedness. A breach of the covenants under Dentsply Sirona's debt instruments outstanding from time to time could result in an event of default under the applicable agreement.

The Company has debt securities outstanding of approximately $1.5 billion. Dentsply Sirona also has the ability to incur up to $500.0 million of indebtedness under the Revolving Credit Facility and may incur significantly more indebtedness in the future.

Dentsply Sirona's level of indebtedness and related debt service obligations could have negative consequences including:

- making it more difficult for the Company to satisfy its obligations with respect to its indebtedness;
- requiring Dentsply Sirona to dedicate significant cash flow from operations to the payment of principal and interest on its indebtedness, which would reduce the funds the Company has available for other purposes, including working capital, capital expenditures and acquisitions; and
- reducing Dentsply Sirona's flexibility in planning for or reacting to changes in its business and market conditions.

Dentsply Sirona's current debt agreements contain a number of covenants and financial ratios, which the Company is required to satisfy. Under the Note Purchase Agreement dated December 11, 2015, the Company will be required to maintain ratios of debt outstanding to total capital not to exceed the ratio of 0.6 to 1.0, and operating income excluding depreciation and amortization to interest expense of not less than 3.0 times. All of the Company's outstanding debt agreements have been amended to reflect these covenants. The Company may need to reduce the amount of its indebtedness outstanding from time to time in order to comply with such ratios, though no assurance can be given that Dentsply Sirona will be able to do so. Dentsply Sirona's failure to maintain such ratios or a breach of the other covenants under its debt agreements outstanding from time to time could result in an event of default under the applicable agreement. Such a default may allow the creditors to accelerate the related indebtedness and may result in the acceleration of any other indebtedness to which a cross-acceleration or cross-default provision applies.

Changes in our credit ratings or macroeconomic impacts on credit markets may increase our cost of capital and limit financing options.

We utilize the short and long-term debt markets to obtain capital from time to time. Adverse changes in our credit ratings may result in increased borrowing costs for future long-term debt or short-term borrowing facilities which may in turn limit financing options, including our access to the unsecured borrowing market. We may also be subject to additional restrictive covenants that would reduce our flexibility. In addition, macroeconomic conditions, such as continued or increased volatility or disruption in the credit markets, would adversely affect our ability to refinance existing debt or obtain additional financing to support operations or to fund new acquisitions or capital-intensive internal initiatives.

Certain provisions in the Company's governing documents, and of Delaware law, may make it more difficult for a third party to acquire Dentsply Sirona.

Certain provisions of Dentsply Sirona's Certificate of Incorporation and By-laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of Dentsply Sirona. Such provisions include, among others, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the common stock and certain procedural requirements which make it difficult for stockholders to amend Dentsply Sirona's By-laws and prevent them from calling special meetings of stockholders. In addition, members of Dentsply Sirona's management and participants in its Employee Stock Ownership Plan ("ESOP") collectively own approximately 2% of the outstanding common stock of Dentsply Sirona. Delaware law imposes some restrictions on mergers and other business combinations between the Company and any holder of 15% or more of the Company's outstanding common stock.

The Company's results could be negatively impacted by a natural disaster or similar event.

The Company operates in more than 120 countries and its and its suppliers' manufacturing facilities are located in multiple locations around the world. Any natural or other disaster in such a location could result in serious harm to the Company's business and consolidated results of operations. Any insurance maintained by the Company may not be adequate to cover our losses resulting from such disasters or other business interruptions, and our emergency response plans may not be effective in preventing or minimizing losses in the future.

Dentsply Sirona is dependent upon a limited number of distributors for a significant portion of Dentsply Sirona's revenue, and loss of these key distributors could result in a loss of a significant amount of Dentsply Sirona's revenue.

Historically, a substantial portion of Dentsply Sirona's revenue has come from a limited number of distributors. For example, Patterson Companies, Inc. and Henry Schein, Inc. each accounted for approximately 12% of the annual revenue of Dentsply Sirona in 2016. It is anticipated that Patterson Companies, Inc. and Henry Schein, Inc. will continue to be the largest contributors to Dentsply Sirona's revenue for the foreseeable future. There can be no assurance that Patterson Companies, Inc. and Henry Schein, Inc. will purchase any specified minimum quantity of products from Dentsply Sirona or that they will continue to purchase any products at all. If Patterson Companies, Inc. or Henry Schein, Inc. ceases to purchase a significant volume of products from Dentsply Sirona, it could have a material adverse effect on Dentsply Sirona's results of operations and financial condition. This risk is increased by the fact that exclusive arrangement the Company has with Patterson Companies, Inc. with respect to certain products in the U.S. and Canada will terminate subsequent to September 2017. We cannot assure you that this cessation of exclusivity will not adversely affect our results of operations. As we transition from a single distributor model to a multi-distributor model for our CEREC CAD/CAM products, our sales could be adversely affected as we incorporate new distributors into our network.

Work stoppages and other labor relations matters may make it substantially more difficult or expensive for us to produce Dentsply Sirona's products, which could result in decreased sales or increased costs, either of which would negatively impact Dentsply Sirona's financial condition and results of operations.

A significant part of our foreign employees are subject to collective bargaining agreements, and some of Dentsply Sirona's employees are unionized; therefore, Dentsply Sirona is subject to the risk of work stoppages and other labor relations matters. Any prolonged work stoppage or strike at any one of Dentsply Sirona's principal facilities could have a negative impact on Dentsply Sirona's business, financial condition, or results of operations.

Dentsply Sirona has developed and must continue to maintain internal controls.

Effective internal controls are necessary for us to provide assurance with respect to Dentsply Sirona's financial reports and to effectively prevent fraud. If Dentsply Sirona cannot provide reasonable assurance with respect to Dentsply Sirona's financial

reports and effectively prevent fraud, Dentsply Sirona's operating results could be harmed. The Sarbanes-Oxley Act of 2002 requires Dentsply Sirona to furnish a report by management on internal control over financial reporting, including managements' assessment of the effectiveness of such control. Internal control over financial reporting may not prevent or detect misstatements because of its certain limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. As a result, even effective internal controls may not provide reasonable assurances with respect to the preparation and presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become either obsolete or inadequate as a result of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. If Dentsply Sirona fails to maintain adequate internal controls, including any failure to implement required new or improved controls, or if Dentsply Sirona experiences difficulties in implementing new or revised controls, Dentsply Sirona's business and operating results could be harmed and Dentsply Sirona could fail to meet Dentsply Sirona's reporting obligations.

Dentsply Sirona is subject to payments-related risks.

Dentsply Sirona accepts payments using a variety of methods, including credit card, debit card, credit accounts, direct debit from a customer's bank account, consumer invoicing, physical bank check, and payment upon delivery. For existing and future payment options Dentsply Sirona offers to Dentsply Sirona's customers, we may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in significant costs and reduce the ease of use of our payments products), as well as fraud. For certain payment methods, including credit and debit cards, Dentsply Sirona pays interchange and other fees, which may increase over time and raise Dentsply Sirona's operating costs and lower profitability. Dentsply Sirona relies on third parties to provide certain payment methods and payment processing services, including the processing of credit cards, debit cards, electronic checks, and promotional financing. In each case, it could disrupt Dentsply Sirona's business if these companies become unwilling or unable to provide these services to Dentsply Sirona. We are also subject to payment card association operating rules, including data security rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If Dentsply Sirona fails to comply with these rules or requirements, or if Dentsply Sirona's data security systems are breached or compromised, Dentsply Sirona may be liable for card issuing banks' costs, subject to fines and higher transaction fees, and lose Dentsply Sirona's ability to accept credit and debit card payments from Dentsply Sirona's customers, process electronic funds transfers, or facilitate other types of online payments, and Dentsply Sirona's business and operating results could be adversely affected.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The following is a listing of Dentsply Sirona's principal manufacturing and distribution locations at December 31, 2016:

Location	Function	Leased or Owned
United States:		
Milford, Delaware (1)	Manufacture of dental consumable products	Owned
Sarasota, Florida (2)	Manufacture of orthodontic accessory products	Owned
Des Plaines, Illinois (1)	Manufacture and assembly of dental handpieces	Leased
Waltham, Massachusetts (2)	Manufacture and distribution of dental implant products	Leased
Long Island City, New York (2)	Manufacture of dental technology products	Leased
Charlotte, North Carolina (2)	Distribution of dental technology products	Leased
Maumee, Ohio (1)	Manufacture and distribution of investment casting products	Owned
Lancaster, Pennsylvania (3)	Distribution of dental products	Leased
York, Pennsylvania (1)	Manufacture and distribution of artificial teeth	Owned

	and other dental consumable products	
York, Pennsylvania (1)	Manufacture of small dental equipment, bone grafting products, and preventive dental products	Owned
Johnson City, Tennessee (1)	Manufacture and distribution of endodontic instruments and materials	Leased
Foreign:		
Hasselt, Belgium (1)	Manufacture and distribution of dental products	Owned
Petropolis, Brazil (1)	Manufacture and distribution of artificial teeth, dental consumable products and endodontic material	Owned
Pirassununga, Brazil (1)	Manufacture and distribution of artificial teeth	Owned/Leased
Tianjin, China (1)	Manufacture and distribution of dental products	Leased
Bensheim, Germany (2)	Manufacture and distribution of dental equipment	Owned
Hanau, Germany (1)	Manufacture and distribution of precious metal dental alloys, dental ceramics and dental implant products	Owned
Konstanz, Germany (1)	Manufacture and distribution of dental consumable products	Owned
Mannheim, Germany (2)	Manufacture and distribution of dental implant products	Owned/Leased
Munich, Germany (1)	Manufacture and distribution of endodontic instruments and materials	Owned
Radolfzell, Germany (3)	Distribution of dental products	Leased
Rosbach, Germany (1)	Manufacture and distribution of dental ceramics	Owned
Bar Lev Industrial Park, Israel (2)	Manufacture and distribution of dental implant products	Owned/Leased
Badia Polesine, Italy (1)	Manufacture and distribution of dental consumable products	Owned/Leased
Otawara, Japan (1) (2)	Manufacture and distribution of precious metal dental alloys, dental consumable products and orthodontic products	Owned
Mexicali, Mexico (2)	Manufacture and distribution of orthodontic products and materials	Leased
Venlo, Netherlands (3)	Distribution of dental consumable products	Leased
Katikati, New Zealand (1)	Manufacture of dental consumable products	Leased
Warsaw, Poland (1)	Manufacture and distribution of dental consumable products	Owned
Las Piedras, Puerto Rico (1)	Manufacture of crown and bridge materials	Owned
Mölndal, Sweden (1) (2)	Manufacture and distribution of dental implant products and healthcare consumable products	Owned
Ballaigues, Switzerland (1)	Manufacture and distribution of endodontic instruments, plastic components and packaging material	Owned
Ankara, Turkey (1)	Manufacture and distribution of healthcare consumable products	Owned

(1) These properties are included in the Dental and Healthcare Consumables segment.

(2) These properties are included in the Technologies segment.
(3) This property is a distribution warehouse not managed by named segments.

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at various other U.S. and international locations. The Company maintains offices in Toronto, Mexico City, Paris, Rome, Weybridge, Mölndal, Hong Kong and Melbourne and other international locations. Most of these sites around the world that are used exclusively for sales and distribution are leased.

The Company also owns its corporate headquarters located in York, Pennsylvania and leases its international headquarters in Salzburg, Austria.

Dentsply Sirona believes that its properties and facilities are well maintained and are generally suitable and adequate for the purposes for which they are used.

Item 3. Legal Proceedings

Incorporated by reference to Part II, Item 8, and Note 19, Commitments and Contingencies, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Item 4. Mine Safety Disclosure

Not Applicable

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

DENTSPLY SIRONA INC. AND SUBSIDIARIES
Quarterly Stock Market and Dividend Information

The Company's common stock is traded on the NASDAQ National Market under the symbol "XRAY." The following table shows, for the periods indicated, the high, low, closing sale prices and cash dividends declared of the Company's common stock as reported on the NASDAQ National Market:

	Market Range of Common Stock		Period-end Closing Price	Cash Dividend Declared
	High	Low		
2016				
First Quarter	$ 63.68	$ 53.43	$ 61.63	$ 0.0775
Second Quarter	65.83	58.84	62.04	0.0775
Third Quarter	65.16	58.57	59.43	0.0775
Fourth Quarter	62.92	55.01	57.73	0.0775
2015				
First Quarter	$ 53.85	$ 49.42	$ 50.89	$ 0.0725
Second Quarter	53.72	49.81	51.55	0.0725
Third Quarter	57.61	50.09	50.57	0.0725
Fourth Quarter	63.45	49.48	60.85	0.0725

Approximately 123,579 holders of the Company's common stock are "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions. In addition, the Company estimates, based on information supplied by its transfer agent, that there are 298 holders of record of the Company's common stock.

Stock Repurchase Program

At December 31, 2016, the Company had authorization to maintain up to 39.0 million shares of treasury stock under the stock repurchase program as approved by the Board of Directors on September 21, 2016. The table below contains certain information with respect to the repurchase of shares of the Company's common stock during the quarter ended December 31, 2016:

(in millions, except per share amounts) Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Cost of Shares Purchased	Number of Shares that May Yet be Purchased Under the Stock Repurchase Program
October 1, 2016 to October 31, 2016	0.9	$ 58.28	$ 51.4	5.3
November 1, 2016 to November 30, 2016	0.7	59.97	42.2	4.8
December 1, 2016 to December 31, 2016	0.4	57.90	21.9	4.6
	2.0	$ 58.81	$ 115.5	

Stock Authorized for Issuance Under Equity Compensation Plans

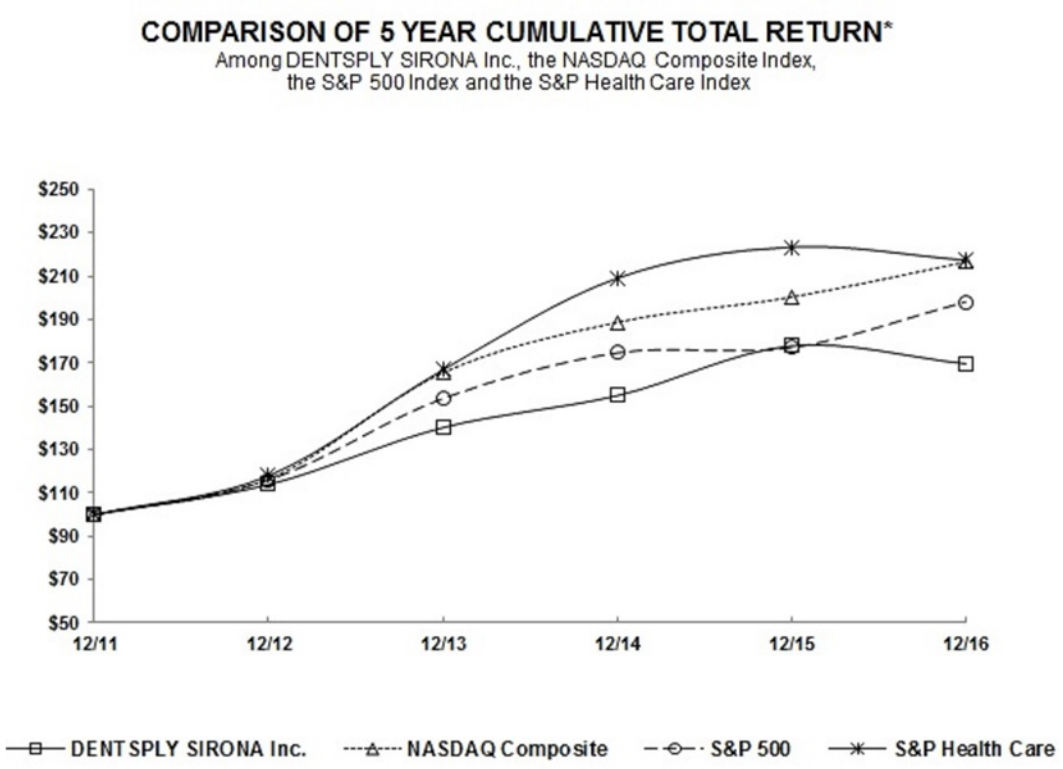
The following table provides information about the Company's common stock that may be issued under equity compensation plans at December 31, 2016:

(in millions, except share price)

Plan Category	Securities to Be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price per Share	Securities Available for Future Issuance
Equity compensation plans approved by security holders	10.3	$ 41.08	36.4

Performance Graph

The graph below compares DENTSPLY SIRONA Inc.'s cumulative 5-Year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite index, the S&P 500 index, and the S&P Health Care index. The graph tracks the performance of a $100 investment in DENTSPLY SIRONA's common stock and in each index (with the reinvestment of all dividends) from 12/31/2011 to 12/31/2016.



	12/11	12/12	12/13	12/14	12/15	12/16
DENTSPLY SIRONA Inc.	**100.00**	**113.85**	**140.15**	**154.85**	**177.84**	**169.58**
NASDAQ Composite	**100.00**	**116.41**	**165.47**	**188.69**	**200.32**	**216.54**
S&P 500	**100.00**	**116.00**	**153.58**	**174.60**	**177.01**	**198.18**
S&P Health Care	**100.00**	**117.89**	**166.76**	**209.02**	**223.42**	**217.41**

Item 6. Selected Financial Data

DENTSPLY SIRONA INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA
(in millions, except per share amounts, days and percentages)

The following selected financial data is qualified by reference to, and should be read in conjunction with, the Consolidated Financial Statements, including the notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Form 10-K.

	Year ended December 31,				
	2016(a)	2015	2014	2013	2012
Statement of Operations Data:					
Net sales	$ 3,745.3	$ 2,674.3	$ 2,922.6	$ 2,950.8	$ 2,928.4
Net sales, excluding precious metal content (b)	3,681.0	2,581.5	2,792.7	2,771.7	2,714.7
Gross profit	2,000.9	1,517.2	1,599.8	1,577.4	1,556.4
Restructuring and other costs	23.2	64.7	11.1	13.4	25.7
Operating income	454.7	375.2	445.6	419.2	381.9
Income before income taxes	440.9	329.7	404.4	369.3	330.7
Net income	431.4	251.1	322.9	318.2	318.5
Net income attributable to Dentsply Sirona	$ 429.9	$ 251.2	$ 322.9	$ 313.2	$ 314.2
Earnings per common share:					
Basic	1.97	1.79	2.28	2.20	2.22
Diluted	1.94	1.76	2.24	2.16	2.18
Cash dividends declared per common share	0.310	0.290	0.265	0.250	0.220
Weighted Average Common Shares Outstanding:					
Basic	218.0	140.0	141.7	142.7	141.9
Diluted	221.6	142.5	144.2	145.0	143.9
Balance Sheet Data:					
Cash and cash equivalents	383.9	284.6	151.6	75.0	80.1
Property, plant and equipment, net	799.8	558.8	588.8	637.2	614.7
Goodwill and other intangibles, net	8,909.6	2,588.3	2,760.1	3,076.9	3,041.6
Total assets	11,656.1	4,402.9	4,646.5	5,073.6	4,966.8
Total debt, current and long-term portions (c)	1,532.2	1,153.1	1,261.9	1,471.6	1,515.5
Equity	8,125.9	2,339.4	2,322.2	2,578.0	2,249.4
Return on average equity	8.2%	10.8%	13.2%	13.0%	15.2%
Total net debt to total capitalization (d)	12.4%	27.1%	32.3%	35.1%	39.0%
Other Data:					
Depreciation and amortization	$ 271.7	$ 122.9	$ 129.1	$ 127.9	$ 129.2
Cash flows from operating activities	563.4	497.4	560.4	417.8	369.7
Capital expenditures	125.0	72.0	99.6	100.3	92.1
Interest expense (income), net	33.9	53.7	41.3	41.5	48.1
Inventory days	113	110	113	114	106
Receivable days	58	54	55	56	53
Effective tax rate	2.2%	23.4%	20.1%	14.1%	2.7%

(a) Includes the results of the Sirona merger from February 29, 2016 through December 31, 2016. Information prior to February 29, 2016 refers to DENTSPLY International Inc only.
(b) The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with US GAAP, and is therefore considered a non-US GAAP measure.
(c) Total debt amounts shown are net of deferred financing costs.
(d) The Company defines net debt as total debt, including current and long-term portions less deferred financing costs, less cash and cash equivalents and total capitalization as the sum of net debt plus equity.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The following Management's Discussion and Analysis of Financial Conditions and Results of Operations ("MD&A") is intended to help the reader understand the Company's operations and business environment. MD&A is provided as a supplement to, and should be read in conjunction with, the Consolidated Financial Statements and Notes to Consolidated Financial Statements contained in Items 8 and 15 of this Form 10-K. The following discussion includes forward-looking statements that involve certain risks and uncertainties. See "Forward-Looking Statements" in the beginning of this Form 10-K. The MD&A includes the following sections:

- Business - a general description of Dentsply Sirona's business and how performance is measured;
- Results of Operations - an analysis of the Company's consolidated results of operations for the three years presented in the Consolidated Financial Statements;
- Critical Accounting Estimates - a discussion of accounting policies that require critical judgments and estimates; and
- Liquidity and Capital Resources - an analysis of cash flows; debt and other obligations; and aggregate contractual obligations.

On February 29, 2016, DENTSPLY International Inc. merged with Sirona Dental Systems, Inc. ("Sirona") to form Dentsply Sirona Inc. (the "Merger") The accompanying financial information for the Company for the year ended December 31, 2016, include the results of operations for Sirona for the period February 29, 2016 to December 31, 2016.

References to the "combined business" or the "combined businesses" are included below to provide comparisons of net sales performance from year to year as if the businesses were combined on January 1, 2015.

2016 Operational Highlights

- The Company closed its merger between DENTSPLY International Inc. and Sirona Dental Systems, Inc. on February 29, 2016 and established Dentsply Sirona as The Dental Solutions Company™ and the largest manufacturer of dental products for the professional dental market. The Company is best positioned to foster the development of differentiated integrated solutions for general practitioners and specialists.

- For the year ended December 31, 2016, net sales, excluding precious metal content, increased 42.6% compared to prior year. The increase in sales primarily reflects the impact of consolidating ten months of Sirona's sales. For the year ended December 31, 2016, sales of our combined businesses (a non-US GAAP measure as referenced above), grew 3.6% on a constant currency basis. This includes a benefit of 1.7% from net acquisitions and was unfavorably impacted by discontinued products by approximately 50 basis points, which results in internal growth of 2.4%.

- For the year ended December 31, 2016, net income attributable to Dentsply Sirona increased 71.2%. Earnings per diluted share of $1.94 increased by 10.2% from $1.76 in the prior year. On an adjusted basis (a non-US GAAP measure as defined under the heading "Net Income attributable to Dentsply Sirona"), full year 2016 net income grew 64.7% and earnings per diluted share grew 5.7% to $2.78 from $2.62 in the prior year. The Company's results reflect a significant earnings headwind from currency rate changes compared to the prior year of approximately 3.0%, or $0.08 per diluted share.

- In 2016, the Company initiated merger and integration activities to capture cost and revenue synergies. The Company completed the elimination of certain corporate redundancies, the planning of country consolidation activities and the renegotiating of supply contracts with vendors. Additionally, the Company initiated reorganization activities that include manufacturing and logistics. The Company achieved tax savings as it realized complementary tax attributes of the combined businesses. With regard to revenue synergies, Dentsply Sirona launched combined commercial activities, such as bundling products and developing cross-selling opportunities. Investments in research and development have yielded new products and solutions which is expected to generate sales growth in the future.

- During 2016, the Company deployed cash in excess of $1.2 billion as it returned cash to shareholders through common share repurchases and dividend payments, as well as strengthened the business through acquisitions. During 2016, the Company completed two acquisitions with an aggregate purchase price of $341.1 million, including the acquisition of MIS Implants Technologies Ltd. ("MIS"), a manufacturer of dental implant systems, and a small acquisition of a healthcare consumable business. In addition, the Company repurchased $813.9 million of common shares outstanding in 2016.

Company Profile

Dentsply Sirona is the world's largest manufacturer of professional dental products and technologies, with a 130-year history of innovation and service to the dental industry and patients worldwide. Dentsply Sirona develops, manufactures, and markets a comprehensive solutions offering including dental and oral health products as well as other consumable medical devices under a strong portfolio of world class brands. As The Dental Solutions Company™, Dentsply Sirona's products provide innovative, high-quality and effective solutions to advance patient care and deliver better, safer and faster dentistry. Dentsply Sirona's global headquarters is located in York, Pennsylvania, and the international headquarters are based in Salzburg, Austria. The Company's shares are listed in the United States on NASDAQ under the symbol XRAY.

BUSINESS

The Company operates in two business segments, Dental and Healthcare Consumables and Technologies.

The Dental and Healthcare Consumables segment includes responsibility for the worldwide design, manufacture, sales and distribution of the Company's Dental and Healthcare Consumable Products which include preventive, restorative, instruments, endodontic, and laboratory dental products as well as consumable medical device products.

The Technologies segment is responsible for the worldwide design, manufacture, sales and distribution of the Company's Dental Technology Products which includes dental implants, CAD/CAM systems, imaging systems, treatment centers and orthodontic products.

Principal Measurements

The principal measurements used by the Company in evaluating its business are: (1) constant currency sales growth by segment and geographic region; (2) internal sales growth by segment and geographic region; and (3) adjusted operating income and margins of each reportable segment, which excludes the impacts of purchase accounting, corporate expenses, and certain other items to enhance the comparability of results period to period. These principal measurements are not calculated in accordance with accounting principles generally accepted in the United States; therefore, these items represent non-US GAAP measures. These non-US GAAP measures may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

The Company defines "constant currency" sales growth as the increase or decrease in net sales from period to period excluding precious metal content and the impact of changes in foreign currency exchange rates. This impact is calculated by comparing current-period revenues to prior-period revenues, with both periods converted at the U.S. dollar to local currency average foreign exchange rate for each month of the prior period, for the currencies in which the Company does business. The Company defines "internal" sales growth as constant currency sales growth excluding the impacts of net acquisitions and divestitures, Merger accounting impacts and discontinued products.

Business Drivers

The primary drivers of internal growth include macroeconomic factors, global dental market growth, innovation and new product launches by the Company, as well as continued investments in sales and marketing resources, including clinical education. Management believes that the Company's ability to execute its strategies has allowed it to grow faster than the underlying dental market.

The Company has a focus on maximizing operational efficiencies on a global basis. The Company has expanded the use of technology as well as process improvement initiatives to enhance global efficiency. In addition, management continues to evaluate the consolidation of operations and functions, as part of integration activities, to further reduce costs. The Company believes that the benefits from these global efficiency and integration initiatives will improve the cost structure and help mitigate the impacts of rising costs such as energy, employee benefits and regulatory oversight and compliance.

The Company expects that it will record restructuring charges, from time to time, associated with such initiatives. These restructuring charges could be material to the Company's consolidated financial statements and there can be no assurance that the target adjusted operating income margins will continue to be achieved.

In October 2016, the Company announced that it is proposing plans in Germany to reorganize and combine portions of its manufacturing, logistics and distribution networks within both of the Company's segments. As required under German law, the Company has entered into a statutory co-determination process under which it will collaborate with the appropriate labor groups to jointly define the infrastructure and staffing adjustments necessary to support this initiative. The Company also initiated similar actions in other regions of the world. The Company estimates the cost of these initiatives to range up to $83 million, primarily for severance related benefits for employees, which is expected to be incurred as actions are implemented over the next two years.

Product innovation is a key component of the Company's overall growth strategy. New advances in technology are anticipated to have a significant influence on future products in the dentistry and consumable medical device markets in which the Company operates. As a result, the Company continues to pursue research and development initiatives to support technological development, including collaborations with various research institutions and dental schools. In addition, the Company licenses and purchases technologies developed by third parties. Although the Company believes these activities will lead to new innovative dental , healthcare consumable and dental technology products, they involve new technologies and there can be no assurance that commercialized products will be developed.

The Company's business is subject to quarterly fluctuations of consolidated net sales and net income. Price increases, promotional activities as well as distributor inventory management contribute to this fluctuation. The Company typically implements most of its price increases in October or January of a given year across most of its businesses. Distributor inventory levels tend to increase in the period leading up to a price increase and decline in the period following the implementation of a price increase. Required minimum purchase commitments under agreements with key distributors may increase inventory levels at those distributors to the extent that future purchase commitments may not be met and could impact the Company's consolidated net sales and net income in a given period or over multiple periods. In addition, the Company may from time to time, engage in new distributor relationships that could cause quarterly fluctuations of consolidated net sales and net income. Any of these fluctuations could be material to the Company's consolidated financial statements.

The Company will continue to pursue opportunities to expand the Company's product offerings, technologies and sales and service infrastructure through partnerships and acquisitions. Although the professional dental and the consumable medical device markets in which the Company operates have experienced consolidation, they remain fragmented. Management believes that there will continue to be adequate opportunities to participate as a consolidator in the industry for the foreseeable future.

The Company has two exclusive distribution agreements with Patterson for the marketing and sales of certain legacy Sirona products and equipment in the United States and and one similar agreement in Canada. In order to maintain exclusivity, certain purchase targets had to be achieved. In the fourth quarter 2016, the decision not to extend the exclusivity beyond September 2017 was announced. The Company's relationship with Patterson remains strong, and the Company expects to continue to distribute the products and equipment underlying the agreements through Patterson on a non-exclusive basis. However, the disruption caused by the announcement of the termination of exclusivity, as well as a reduction in Patterson sales resources, negatively impacted fourth quarter sales. Additionally, Patterson began to reduce inventories in both the United States and Canada, which further negatively impacted the Company's reported sales in the fourth quarter by approximately $30 million. These factors are expected to continue in 2017. The Company is evaluating its options for additional channels of distribution for such products, although no firm decisions have been reached as of the date of this filing. The Company anticipates that the continuation of the inventory reduction could unfavorably impact sales in 2017 by approximately $50 million as Patterson reduces inventory in some periods and as other market channels are brought on-line in other periods. Notwithstanding the foregoing, the Company believes end-user demand for its products continues to be strong.

Impact of Foreign Currencies and Interest Rates

Due to the Company's significant international presence, movements in foreign exchange and interest rates may impact the Consolidated Statements of Operations. With approximately two thirds of the Company's net sales located in regions outside the United States, the Company's consolidated net sales are impacted negatively by the strengthening or positively impacted by the weakening of the U.S. dollar. Additionally, movements in certain foreign exchange and interest rates may unfavorably or favorably impact the Company's results of operations, financial condition and liquidity. For the year ended December 31, 2016, net sales, excluding precious metal content, were unfavorably impacted by approximately 1.2% and earnings per diluted common share by approximately $0.08 due to movements in foreign currency exchange rates.

Reclassification of Prior Year Amounts

Certain reclassifications have been made to prior years' data in order to conform to current year presentation. Specifically, during the March 31, 2016 quarter, the Company realigned reporting responsibilities as a result of the Merger and changed the management structure. The segment information reflects the revised structure for all periods shown.

RESULTS OF OPERATIONS

2016 Compared to 2015

Net Sales

The discussion below summarizes the Company's sales growth which excludes precious metal content, into the following components: (1) impact of the Merger; and (2) the results of the "combined businesses" as if the businesses were merged on January 1, 2015. These disclosures of net sales growth provide the reader with sales results on a comparable basis between periods.

Management believes that the presentation of net sales, excluding precious metal content, provides useful information to investors because a portion of Dentsply Sirona's net sales is comprised of sales of precious metals generated through sales of the Company's precious metal dental alloy products, which are used by third parties to construct crown and bridge materials. Due to the fluctuations of precious metal prices and because the cost of the precious metal content of the Company's sales is largely passed through to customers and has minimal effect on earnings, Dentsply Sirona reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change.

The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with US GAAP, and is therefore considered a non-US GAAP measure. The Company provides the following reconciliation of net sales to net sales, excluding precious metal content. The Company's definitions and calculations of net sales, excluding precious metal content, and other operating measures derived using net sales, excluding precious metal content, may not necessarily be the same as those used by other companies.

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Net sales	$ 3,745.3	$ 2,674.3	$ 1,071.0	40.0%
Less: Precious metal content of sales	64.3	92.8	(28.5)	(30.7%)
Net sales, excluding precious metal content	$ 3,681.0	$ 2,581.5	$ 1,099.5	42.6%

Net sales, excluding precious metal content, for the year ended December 31, 2016 were $3,681.0 million, an increase of $1,099.5 million from the year ended December 31, 2015, as reported by legacy DENTSPLY. This excludes approximately $13.5 million of revenue that was eliminated in fair value purchase accounting adjustments to deferred income.

Sales related to precious metal content declined 30.7% during 2016, which was primarily related to the discontinued refinery product lines and to a lesser extent the continued reduction in the use of precious metal alloys in dentistry.

For the year ended December 31, 2016, sales of our combined businesses grew 3.6% on a constant currency basis. This includes a benefit of 1.7% from net acquisitions and was unfavorably impacted by discontinued products by approximately 50 basis points, which leads to internal growth of 2.4%. Net sales, excluding precious metal content, were negatively impacted by approximately 90 basis points due to the strengthening of the U.S. dollar over the prior year period. A reconciliation of reported net sales to net sales, excluding precious metal content, of the combined business for the year ended December 31, 2016 and 2015, respectfully, is as follows:

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Net sales	$ 3,745.3	$ 2,674.3	$ 1,071.0	40.0%
Less: precious metal content of sales	64.3	92.8	(28.5)	(30.7%)
Net sales, excluding precious metal content	3,681.0	2,581.5	1,099.5	42.6%
Sirona net sales (a)	160.7	1,172.5	(1,011.8)	NM
Merger related adjustments (b)	13.5	—	13.5	NM
Elimination of intercompany net sales	(0.5)	(2.3)	1.8	NM
Non-US GAAP combined business, net sales, excluding precious metal content	$ 3,854.7	$ 3,751.7	$ 103.0	2.7%

(a) Represents Sirona sales for January and February 2016, and the year ended December 31, 2015.
(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.
NM - Not meaningful

Sales Growth by Region

Net sales, excluding precious metal content, for the year ended December 31, 2016 and 2015, respectfully, by geographic region is as follows:

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
United States	$ 1,306.4	$ 958.8	$ 347.6	36.3%
Europe	1,421.7	1,065.3	356.4	33.5%
Rest of World	952.9	557.4	395.5	71.0%

A reconciliation of reported net sales to net sales, excluding precious metal content, of the combined business by geographic region for the year ended December 31, 2016 and 2015, respectfully, is as follows:

(in millions)	Year Ended December 31, 2016 United States	Europe	Rest of World	Total
Net sales	$ 1,311.6	$ 1,463.2	$ 970.5	$ 3,745.3
Less: precious metal content of sales	5.2	41.5	17.6	64.3
Net sales, excluding precious metal content	1,306.4	1,421.7	952.9	3,681.0
Sirona net sales (a)	60.5	59.4	40.8	160.7
Merger related adjustments (b)	11.9	1.6	—	13.5
Elimination of intercompany net sales	(0.1)	(0.4)	—	(0.5)
Non-US GAAP combined business, net sales, excluding precious metal content	$ 1,378.7	$ 1,482.3	$ 993.7	$ 3,854.7

(a) Represents Sirona sales for January and February 2016
(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.

(in millions)	Year Ended December 31, 2015 United States	Europe	Rest of World	Total
Net sales	$ 965.9	$ 1,125.7	$ 582.7	$ 2,674.3
Less: precious metal content of sales	7.1	60.4	25.3	92.8
Net sales, excluding precious metal content	958.8	1,065.3	557.4	2,581.5
Sirona net sales (a)	406.4	394.0	372.1	1,172.5
Elimination of intercompany net sales	(0.1)	(2.2)	—	(2.3)
Non-US GAAP combined business, net sales, excluding precious metal content	$ 1,365.1	$ 1,457.1	$ 929.5	$ 3,751.7

(a) Represents Sirona sales for the year ended December 31, 2015.

United States

Reported net sales, excluding precious metal content, increased by 36.3% for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase reflects sales of $352.3 million as a result of the Merger and other acquisitions, primarily the consolidation of the Sirona businesses for ten months. This excludes approximately $11.9 million of revenue that was eliminated in fair value purchase accounting adjustments to deferred income.

For the year ended December 31, 2016, sales of our combined businesses grew 1.0% on a constant currency basis. This includes a benefit of 2.3% from net acquisitions and was unfavorably impacted by discontinued products by approximately 40 basis points, which results in a negative internal sales growth rate of 0.9%. This was driven by lower sales in the Technologies segment and was the result of lower purchases by a dealer compared to the prior period.

Europe

Reported net sales, excluding precious metal content, increased by 33.5% for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase reflects sales of $361.6 million as a result of the Merger and other acquisitions, primarily the consolidation of the Sirona businesses for ten months. This excludes approximately $1.6 million of revenue that was eliminated in fair value purchase accounting adjustments to deferred income.

For the year ended December 31, 2016, sales of our combined businesses grew 3.2% on a constant currency basis. This includes a benefit of 1.0% from net acquisitions and was unfavorably impacted by discontinued products by approximately 70 basis points, which results in internal growth of 2.9%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.5% due to the strengthening of the U.S. dollar over the prior year period. Internal sales growth in this region was primarily driven by higher demand in the Dental and Healthcare Consumables segment.

Rest of World

Reported net sales, excluding precious metal content, increased by 71.0% for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase reflects sales of $378.7 million as a result of the Merger and other acquisitions, primarily the consolidation of the Sirona businesses for ten months.

For the year ended December 31, 2016, sales of our combined businesses grew 8.2% on a constant currency basis. This includes a benefit of 1.9% from net acquisitions and was unfavorably impacted by discontinued products by approximately 30 basis points, which results in internal growth of 6.6%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.2% due to the strengthening of the U.S. dollar over the prior year period. Internal sales growth in this region was driven by higher demand in both segments led by the Technologies segment.

Gross Profit

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Gross profit	$ 2,000.9	$ 1,517.2	$ 483.7	31.9%
Gross profit as a percentage of net sales, including precious metal content	53.4%	56.7%		
Gross profit as a percentage of net sales, excluding precious metal content	54.4%	58.8%		

Gross profit as a percentage of net sales, excluding precious metal content, decreased by 440 basis points for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This decrease was the result of the roll-off of Merger related fair value adjustments, Sirona's lower gross profit rate, and foreign currency, which negatively impacted the rate by 610 basis points. The decrease was partially offset by savings from the Company's global efficiency and integration program and favorable product pricing during the year ended December 31, 2016 as compared to the year ended December 31, 2015.

Operating Expenses

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Selling, general and administrative expenses ("SG&A")	$ 1,523.0	$ 1,077.3	$ 445.7	41.4%
Restructuring and other costs	23.2	64.7	(41.5)	(64.1%)
SG&A as a percentage of net sales, including precious metal content	40.7%	40.3%		
SG&A as a percentage of net sales, excluding precious metal content	41.4%	41.7%		

SG&A Expenses

SG&A expenses, including research and developing expenses, as a percentage of net sales, excluding precious metal content, for the year ended December 31, 2016 decreased 30 basis points compared to the year ended December 31, 2015. The decrease was primarily the result of Sirona's lower operating expense rate and savings from the Company's global efficiency and integration program, partially offset by increased amortization expense and other costs related to the Merger.

Restructuring and Other Costs

The Company recorded net restructuring and other costs of $23.2 million for the year ended December 31, 2016 compared to $64.7 million for the year ended December 31, 2015. In 2016, restructuring costs were related to the closure and consolidation of facilities in an effort to streamline the Company's operations and better leverage the Company's resources. In 2015, the Company reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental and Healthcare Consumables segment.

In October 2016, the Company announced that it is proposing plans in Germany to reorganize and combine portions of its manufacturing, logistics and distribution networks within both of the Company's segments. As required under German law, the Company has entered into a statutory co-determination process under which it will collaborate with the appropriate labor groups to jointly define the infrastructure and staffing adjustments necessary to support this initiative. The Company also initiated similar actions in other regions of the world. The Company estimates the cost of these initiatives to range up to $83 million, primarily for severance related benefits for employees, which is expected to be incurred as actions are implemented over the next two years.

Other Income and Expenses

(in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Net interest expense	$ 33.9	$ 53.7	$ (19.8)	(36.9%)
Other expense (income), net	(20.1)	(8.2)	(11.9)	NM
Net interest and other expense	$ 13.8	$ 45.5	$ (31.7)	

NM - Not meaningful

Net Interest Expense

Net interest expense for the year ended December 31, 2016 was $19.8 million lower as compared to the year ended December 31, 2015. The decrease is a result of $15.5 million of costs incurred in 2015 related to a bond tender which was comprised of a bond premium and tender fees paid of $8.5 million and the acceleration of the discount on tendered bonds and other fees of $7.0 million. Excluding the bond tender expense, net interest expense was $4.2 million lower in 2016 as compared to 2015 due to lower average interest rates on lower average debt levels during 2016.

Other Expense (Income), Net

Other expense (income), net for the year ended December 31, 2016 improved $11.9 million compared to the year ended December 31, 2015. Other expense (income), net for the year ended December 31, 2016 includes foreign exchange gain of $10.3 million and $9.9 million of other non-operating income primarily due to a legal settlement. Other income, net for the year ended December 31, 2015 was $8.2 million, comprised primarily of $5.2 million of foreign exchange gains, and $3.0 million of other non-operating income.

Income Taxes and Net Income

(in millions, except per share and percentage amounts)	Year Ended December 31, 2016	2015	$ Change
Effective income tax rate	2.2%	23.4%	
Net income attributable to Dentsply Sirona	$ 429.9	$ 251.2	$ 178.7
Diluted earnings per common share	$ 1.94	$ 1.76	

Provision for Income Taxes

The Company's effective tax rate for 2016 and 2015 was 2.2% and 23.4%, respectively. For the year ended December 31, 2016, income taxes were a net expense of $9.5 million. During the year, the Company recorded a tax benefit from the release of a valuation allowance on previously unrecognized tax assets related to foreign interest deduction carryforwards of a non-U.S. legacy DENTSPLY subsidiary of approximately $72.6 million, resulting from the Merger. The Company also recorded $0.8 million of tax expense related to other discrete tax matters. Excluding the impact of these tax matters, the Company's effective tax rate was 18.9%. The effective tax rate was favorably impacted by the Company's change in the mix of consolidated earnings. Further information regarding the details of income taxes is presented in Note 14, Income Taxes, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

The Company's effective income tax rate for 2016 included the net impact of business combination related costs and fair value adjustments, amortization of purchased intangible assets, restructuring program related costs and other costs, credit risk and fair value adjustments and income tax related adjustments which impacted income before income taxes and the provision for income taxes by $340.3 million and $153.1 million, respectively.

The Company's effective income tax rate for 2015 included the net impact of restructuring program related costs and other costs, amortization of purchased intangible assets, business combination related costs and fair value adjustments, income tax related adjustments, credit risk and fair value adjustments and certain fair value adjustments related to an unconsolidated affiliated company which impacted income before income taxes and the provision for income taxes by $153.0 million and $33.5 million, respectively.

Net Income attributable to Dentsply Sirona

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share ("adjusted EPS"). The Company discloses adjusted net income attributable to Dentsply Sirona to allow investors to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period and may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to intangible assets either purchased or acquired through a business combination. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

The adjusted net income attributable to Dentsply Sirona consists of net income attributable to Dentsply Sirona adjusted to exclude the following:

(1) *Business combination related costs and fair value adjustments*. These adjustments include costs related to integrating and consummating mergers and recently acquired businesses, as well as costs, gains and losses related to the disposal of businesses or product lines. In addition, this category includes the roll off to the consolidated statement of operations of fair value adjustments related to business combinations, except for amortization expense noted below. These items are irregular in timing and as such may not be indicative of past and future performance of the Company and are therefore excluded to allow investors to better understand underlying operating trends.

(2) *Restructuring program related costs and other costs*. These adjustments include costs related to the implementation of restructuring initiatives as well as certain other costs. These costs can include, but are not limited to, severance costs, facility closure costs, lease and contract terminations costs, related professional service costs, duplicate facility and labor costs associated with specific restructuring initiatives, as well as, legal settlements and impairments of assets. These items are irregular in timing, amount and impact to the Company's financial performance. As such, these items may not be indicative of past and future performance of the Company and are therefore excluded for the purpose of understanding underlying operating trends.

(3) *Amortization of purchased intangible assets.* This adjustment excludes the periodic amortization expense related to purchased intangible assets. Amortization expense has been excluded from adjusted net income attributed to Dentsply Sirona to allow investors to evaluate and understand operating trends excluding these large non-cash charges.

(4) *Credit risk and fair value adjustments*. These adjustments include both the cost and income impacts of adjustments in certain assets and liabilities including the Company's pension obligations, that are recorded through net income which are due solely to the changes in fair value and credit risk. These items can be variable and driven more by market conditions than the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

(5) *Certain fair value adjustments related to an unconsolidated affiliated company.* This adjustment represents the fair value adjustment of the unconsolidated affiliated company's convertible debt instrument held by the Company. The affiliate is accounted for under the equity method of accounting. The fair value adjustment is driven by open market pricing of the affiliate's equity instruments, which has a high degree of variability and may not be indicative of the operating performance of the affiliate or the Company.

(6) *Income tax related adjustments.* These adjustments include both income tax expenses and income tax benefits that are representative of income tax adjustments mostly related to prior periods, as well as the final settlement of income tax audits, and discrete tax items resulting from the implementation of restructuring initiatives. These adjustments are irregular in timing and amount and may significantly impact the Company's operating performance. As such, these items may not be indicative of past and future performance of the Company and therefore are excluded for comparability purposes.

Adjusted earnings per diluted common share is calculated by dividing adjusted net income attributable to Dentsply Sirona by diluted weighted-average common shares outstanding. Adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share are considered measures not calculated in accordance with US GAAP, and therefore are non-US GAAP measures. These non-US GAAP measures may differ from other companies. Income tax related adjustments may include the impact to adjust the interim effective income tax rate to the expected annual effective tax rate. The non-US GAAP

financial information should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

(in millions, except per share amounts)	Year Ended December 31, 2016 Net Income	Per Diluted Common Share
Net income attributable to Dentsply Sirona	$ 429.9	$ 1.94
Pre-tax non-US GAAP adjustments:		
Business combination related costs and fair value adjustments	162.2	
Amortization of purchased intangible assets	155.3	
Restructuring program related costs and other costs	17.0	
Credit risk and fair value adjustments	5.8	
Tax impact of the pre-tax non-US GAAP adjustments (a)	(79.6)	
Subtotal non-US GAAP adjustments	260.7	1.17
Income tax related adjustments	(73.5)	(0.33)
Adjusted non-US GAAP net income	$ 617.1	$ 2.78

(a) The tax amount was calculated using the applicable statutory tax rate in the tax jurisdiction where the non-US GAAP adjustments were generated.

(in millions, except per share amounts)	Year Ended December 31, 2015 Net Income	Per Diluted Common Share
Net income attributable to Dentsply Sirona	$ 251.2	$ 1.76
Pre-tax non-US GAAP adjustments:		
Restructuring program related costs and other costs	92.9	
Amortization of purchased intangible assets	43.7	
Business combination related costs and fair value adjustments	13.3	
Credit risk and fair value adjustments	8.3	
Certain fair value adjustments related to an unconsolidated affiliated company	(2.8)	
Tax impact of the pre-tax non-US GAAP adjustments (a)	(39.8)	
Subtotal non-US GAAP adjustments	115.6	0.82
Income tax related adjustments	6.3	0.04
Adjusted non-US GAAP net income	$ 373.1	$ 2.62

(a) The tax amount was calculated using the applicable statutory tax rate in the tax jurisdiction where the non-US GAAP adjustments were generated.

Adjusted Operating Income and Margin

Adjusted operating income and margin is another important internal measure for the Company. Operating income in accordance with US GAAP is adjusted for the items noted above which are excluded on a pre-tax basis to arrive at adjusted operating income, a non-US GAAP measure. The adjusted operating margin is calculated by dividing adjusted operating income by net sales, excluding precious metal content.

Senior management receives a monthly analysis of operating results that includes adjusted operating income. The performance of the Company is measured on this basis along with the adjusted non-US GAAP earnings noted above as well as other performance metrics. This non-US GAAP measure may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

(in millions, except percentage of net sales amount)	Year Ended December 31, 2016 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to Dentsply Sirona	$ 454.7	12.4%
Business combination related costs and fair value adjustments	161.8	4.4%
Amortization of purchased intangible assets	155.3	4.2%
Restructuring program related costs and other costs	27.1	0.7%
Credit risk and fair value adjustments	5.3	0.1%
Adjusted non-US GAAP Operating Income	$ 804.2	21.8%

(in millions, except percentage of net sales amounts)	Year Ended December 31, 2015 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to Dentsply Sirona	$ 375.2	14.5%
Restructuring program related costs and other costs	81.1	3.2%
Amortization of purchased intangible assets	43.7	1.7%
Business combination related costs and fair value adjustments	13.1	0.5%
Credit risk and fair value adjustments	8.0	0.3%
Adjusted non-US GAAP Operating Income	$ 521.1	20.2%

Operating Segment Results

Net Sales, Excluding Precious Metal Content (in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Dental and Healthcare Consumables	$ 1,994.3	$ 1,868.8	$ 125.5	6.7%
Technologies	$ 1,686.7	$ 712.7	$ 974.0	136.7%

Segment Operating Income (in millions, except percentage amounts)	Year Ended December 31, 2016	2015	$ Change	% Change
Dental and Healthcare Consumables	$ 544.5	$ 470.1	$ 74.4	15.8%
Technologies	$ 355.1	$ 93.7	$ 261.4	279.0%

A reconciliation of reported net sales to net sales, excluding precious metal content, of the combined business by segment for the year ended December 31, 2016 and 2015, respectfully, is as follows:

(in millions)	Year Ended December 31, 2016 Dental and Healthcare Consumables	Technologies	Total
Net sales	$ 2,058.1	$ 1,687.2	$ 3,745.3
Less: precious metal content of sales	63.8	0.5	64.3
Net sales, excluding precious metal content	1,994.3	1,686.7	3,681.0
Sirona net sales (a)	15.7	145.0	160.7
Merger related adjustments (b)	—	13.5	13.5
Elimination of intercompany net sales	(0.5)	—	(0.5)
Non-US GAAP combined business, net sales, excluding precious metal content	$ 2,009.5	$ 1,845.2	$ 3,854.7

(a) Represents Sirona sales for January and February 2016
(b) Represents an adjustment to reflect deferred subscription and warranty revenue that was eliminated under business combination accounting standards to make the 2016 and 2015 non-U.S. GAAP combined business results comparable.

(in millions)	Year Ended December 31, 2015 Dental and Healthcare Consumables	Technologies	Total
Net sales	$ 1,961.0	$ 713.3	$ 2,674.3
Less: precious metal content of sales	92.2	0.6	92.8
Net sales, excluding precious metal content	1,868.8	712.7	2,581.5
Sirona net sales (a)	112.1	1,060.4	1,172.5
Elimination of intercompany net sales	(2.3)	—	(2.3)
Non-US GAAP combined business, net sales, excluding precious metal content	$ 1,978.6	$ 1,773.1	$ 3,751.7

(a) Represents Sirona sales for the year ended December 31, 2015.

Dental and Healthcare Consumables

Reported net sales, excluding precious metal content, increased by 6.7% for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase reflects sales of $106.4 million as a result of the Merger and other acquisitions, primarily the consolidation of the Sirona businesses for ten months.

For the year ended December 31, 2016, sales of our combined businesses grew 2.7% on a constant currency basis. This includes a benefit of approximately 60 basis points from net acquisitions and was unfavorably impacted by discontinued products by approximately 80 basis points, which results in internal growth of 2.9%. Net sales, excluding precious metal content, were negatively impacted by approximately 1.1% due to the strengthening of the U.S. dollar over the prior year period. Sales growth was led by Europe and the Rest of World region.

The operating income increase for the year ended December 31, 2016 as compared to 2015 reflects the savings from the Company's global efficiency and integration program, as well as the impact of the Merger.

Technologies

Reported net sales, excluding precious metal content, increased by $974.0 million for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This increase is a result of the Merger and other acquisitions, primarily the consolidation of the Sirona businesses for ten months. This excludes approximately $13.5 million of revenue that was eliminated in fair value purchase accounting adjustments to deferred income.

For the year ended December 31, 2016, sales of our combined businesses grew 4.6% on a constant currency basis. This includes a benefit of 2.8% from net acquisitions which results in internal growth of 1.8%. Net sales, excluding precious metal content, were negatively impacted by approximately 60 basis points due to the strengthening of the U.S. dollar over the prior year period. Sales growth in this segment reflects increased demand in the Rest of World region offset by sales declines in the United State which reflects lower purchases by a dealer compared to the prior year period.

The operating income increase for the year ended December 31, 2016 as compared to 2015 reflects the impact of the Merger.

RESULTS OF OPERATIONS

2015 Compared to 2014

Net Sales

(in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Net sales	$ 2,674.3	$ 2,922.6	$ (248.3)	(8.5%)
Less: Precious metal content of sales	92.8	129.9	(37.1)	(28.6%)
Net sales, excluding precious metal content	$ 2,581.5	$ 2,792.7	$ (211.2)	(7.6%)

For the year ended December 31, 2015, net sales, excluding precious metal content decreased $211.2 million or 7.6% from the year end December 31, 2014. The change in net sales excluding precious metals content reflects 9.5% unfavorable foreign currency translation. Excluding the impact of unfavorable foreign currency translation and excluding precious metal content, net sales grew 1.9%. Sales related to precious metal content declined 28.6% from the prior year period which was primarily due to the continuing reduction in refinery volumes and the declining use of precious metal alloys in dentistry.

Constant Currency Sales Growth

The following table includes growth rates for net sales, excluding precious metal content.

	Year Ended December 31, 2015			
	United States	Europe	Rest of World	Worldwide
Internal sales growth	3.1%	(0.3%)	4.9%	2.0%
Net acquisition (divestiture) sales growth	(0.5%)	—%	0.4%	(0.1%)
Constant currency sales growth	2.6 %	(0.3)%	5.3%	1.9 %

United States

During 2015, net sales, excluding precious metal content, increased by 2.6% on a constant currency basis compared to 2014. Internal sales growth of 3.1% was led by increased sales in the dental consumables and dental specialty product categories. Internal growth for the year ended December 31, 2015 was negatively impacted by approximately 0.8% as a result of product line discontinuations associated with the Company's global efficiency initiative.

Europe

During 2015, net sales, excluding precious metal content, decreased by 0.3% on a constant currency basis compared to 2014. Internal sales growth was negative 0.3% mostly as a result of a decrease in sales of dental laboratory products and continued

contraction in the CIS region, partially offset by positive sales growth in dental consumable and dental specialty products categories. Internal growth for the year ended December 31, 2015 was negatively impacted by approximately 0.5% as a result of product line discontinuations associated with the Company's global efficiency initiative.

Rest of World

During 2015, net sales, excluding precious metal content, increased 5.3% on a constant currency basis compared to 2014. The internal sales growth of 4.9% was led by the dental specialty product category. Internal growth for the year ended December 31, 2015 was negatively impacted by approximately 0.3% as a result of product line discontinuations associated with the Company's global efficiency initiative.

Gross Profit

(in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Gross profit	$ 1,517.2	$ 1,599.8	$ (82.6)	(5.2%)
Gross profit as a percentage of net sales, including precious metal content	56.7%	54.7%		
Gross profit as a percentage of net sales, excluding precious metal content	58.8%	57.3%		

Gross profit as a percentage of net sales, excluding precious metal content, increased 150 basis points during 2015 compared to 2014. The increase in the gross profit rate was due to the favorable impact of foreign currency, benefits from the Company's global efficiency initiative, favorable pricing and product mix when compared to the year ended December 31, 2014.

Expenses

Selling, General and Administrative ("SG&A") Expenses

(in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
SG&A expenses	$ 1,077.3	$ 1,143.1	$ (65.8)	(5.8%)
SG&A expenses as a percentage of net sales, including precious metal content	40.3%	39.1%		
SG&A expenses as a percentage of net sales, excluding precious metal content	41.7%	40.9%		

SG&A expenses as a percentage of net sales, excluding precious metal content, increased 80 basis points as compared to 2014 primarily as a result of the increase in professional fees mostly related to the Company's global efficiency initiative, merger and acquisition related expenses and higher pension costs.

Restructuring and Other Costs

(in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Restructuring and other costs	$ 64.7	$ 11.1	$ 53.6	NM

NM - Not meaningful

The Company recorded net restructuring and other costs of $64.7 million in 2015 compared to $11.1 million in 2014. On May 22, 2015, the Company announced that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental and Healthcare Consumables segment. During the year ended December 31, 2015, the Company recorded $37.3 million of costs that consist primarily of employee severance benefits related to these actions. Also during the year ended December 31, 2015, the Company recorded restructuring costs of $16.3 million within the Technologies segment that consists primarily of employee severance benefits related to the global efficiency initiative.

In 2014, the Company recorded restructuring costs of $9.9 million related to the closure and consolidation of facilities in an effort to streamline the Company's operations and better leverage the Company's resources. Restructuring and other costs also includes expense of $1.2 million related to net legal settlements.

Other Income and Expenses

(in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Net interest expense	$ 53.7	$ 41.3	$ 12.4	30.0%
Other expense (income), net	(8.2)	(0.1)	(8.1)	NM
Net interest and other expense	$ 45.5	$ 41.2	$ 4.3	

NM - Not meaningful

Net Interest Expense

Net interest expense for the year ended December 31, 2015 was $12.4 million higher as compared to the year ended December 31, 2014. The increase is a result of $15.5 million of costs incurred related to the December 11, 2015 bond tender which was comprised of a bond premium and tender fees paid of $8.5 million and the acceleration of the discount on tendered bonds and other fees of $7.0 million. Excluding the bond tender expense, net interest expense was $3.1 million lower in 2015 as compared to 2014 due to lower average debt levels during 2015 partially offset by lower investment income compared to the prior year.

Other Expense (Income), Net

Other expense (income), net for the year ended December 31, 2015 improved $8.1 million compared to the year ended December 31, 2014. Other expense (income), net for the year ended December 31, 2015 includes foreign exchange gain of $5.1 million on the sale of convertible bonds and $3.0 million of other non-operating income. Other income, net for the year ended December 31, 2014 was $0.1 million, comprised primarily of $1.1 million of interest and non-cash income relating to fair value adjustments on cross currency basis swaps not designated as hedges that offset currency risk on intercompany loans, $2.5 million of currency transaction losses, and $1.4 million of other non-operating income.

Income Taxes and Net Income

(in millions, except per share and percentage amounts)	Year Ended December 31, 2015	2014	$ Change
Effective income tax rate	23.4%	20.1%	
Equity in net loss of unconsolidated affiliated company	$ (1.6)	$ (0.4)	$ (1.2)
Net income attributable to Dentsply Sirona	$ 251.2	$ 322.9	$ (71.7)
Diluted earnings per common share	$ 1.76	$ 2.24	

Provision for Income Taxes

The Company's effective tax rate for 2015 and 2014 was 23.4% and 20.1%, respectively. During 2015, the Company recorded tax expense of $5.6 million related to prior year tax matters. During 2014, the Company recorded a tax benefit from the release of valuation allowances on previously unrecognized tax loss carryforwards and other deferred tax assets of approximately $8.3 million, a tax benefit of $1.4 million related to statutory tax rate changes and $4.5 million of unfavorable tax effects related to prior year tax matters.

The Company's effective income tax rate for 2015 includes the impact of restructuring program related costs and other costs, amortization of purchased intangible assets, business combination related costs and fair value adjustments, credit risk and fair value adjustments as well as various income tax adjustments which impacted income before income taxes and the provision for income taxes by $153.0 million and $33.5 million, respectively.

The Company's effective income tax rate for 2014 includes the impact of amortization of purchased intangible assets, restructuring program related costs and other costs, business combination related costs and fair value adjustments, credit risk and fair value adjustments as well as various income tax adjustments which impacted income before income taxes and the provision for income taxes by $63.2 million and $23.9 million, respectively.

Equity in net loss of unconsolidated affiliated company

The Company's 17% ownership investment of DIO Corporation ("DIO") resulted in a net loss of $1.6 million and $0.3 million on an after-tax basis for the years ended December 31, 2015 and 2014, respectively. The equity earnings of DIO include the result of mark-to-market changes related to the derivative accounting for the convertible bonds issued by DIO to Dentsply Sirona. The Company's portion of the mark-to-market loss recorded through DIO's net income was approximately $2.4 million for the year ended December 31, 2015. For the year ended December 31, 2014, the Company's portion of the mark-to-market gain recorded through DIO's net income was approximately $1.2 million. During the quarter ended September 30, 2015, the Company sold the DIO convertible bonds. As part of the disposition of the convertible bonds, the Company requested to relinquish its two board seats on the DIO Board of Directors. At December 31, 2015, the Company no longer has representation on the DIO Board of Directors and as a result, the Company no longer has significant influence on the operations of DIO. The Company uses the cost-basis method of accounting for the remaining direct investment.

Net income attributable to Dentsply Sirona

In addition to the results reported in accordance with US GAAP, the Company provides adjusted net income attributable to Dentsply Sirona and adjusted earnings per diluted common share ("adjusted EPS"). The Company discloses adjusted net income attributable to Dentsply Sirona to allow investors to evaluate the performance of the Company's operations exclusive of certain items that impact the comparability of results from period to period and may not be indicative of past or future performance of the normal operations of the Company and certain large non-cash charges related to intangible assets either purchased or acquired through a business combination. The Company believes that this information is helpful in understanding underlying operating trends and cash flow generation.

Adjusted net income and adjusted EPS are important internal measures for the Company. Senior management receives a monthly analysis of operating results that includes adjusted net income and adjusted EPS and the performance of the Company is measured on this basis along with other performance metrics.

	Year Ended December 31, 2015	
(in millions, except per share amounts)	Net Income	Per Diluted Common Share
Net income attributable to Dentsply Sirona	$ 251.2	$ 1.76
Pre-tax non-US GAAP adjustments:		
Restructuring program related costs and other costs	92.9	
Amortization of purchased intangible assets	43.7	
Business combination related costs and fair value adjustments	13.3	
Credit risk and fair value adjustments	8.3	
Certain fair value adjustments related to an unconsolidated affiliated company	(2.8)	
Tax impact of the pre-tax non-US GAAP adjustments (a)	(39.8)	
Subtotal non-US GAAP adjustments	115.6	0.82
Income tax related adjustments	6.3	0.04
Adjusted non-US GAAP net income	$ 373.1	$ 2.62

(a) The tax amount was calculated using the applicable statutory tax rate in the tax jurisdiction where the non-US GAAP adjustments were generated.

(in millions, except per share amounts)	Year Ended December 31, 2014 Net Income	Per Diluted Common Share
Net income attributable to Dentsply Sirona	$ 322.9	$ 2.24
Pre-tax non-US GAAP adjustments:		
Amortization of purchased intangible assets	47.9	
Restructuring program related costs and other costs	12.5	
Business combination related costs and fair value adjustments	3.5	
Credit risk and fair value adjustments	(0.7)	
Certain fair value adjustments related to an unconsolidated affiliated company	(1.2)	
Tax impact of the pre-tax non-US GAAP adjustments (a)	(19.6)	
Subtotal non-US GAAP adjustments	42.4	0.29
Income tax related adjustments	(4.3)	(0.03)
Adjusted non-US GAAP net income	$ 361.0	$ 2.50

(a) The tax amount was calculated using the applicable statutory tax rate in the tax jurisdiction where the non-US GAAP adjustments were generated.

Adjusted Operating Income and Margin

Adjusted operating income and margin is another important internal measure for the Company. Operating income in accordance with US GAAP is adjusted for the items noted above which are excluded on a pre-tax basis to arrive at adjusted operating income, a non-US GAAP measure. The adjusted operating margin is calculated by dividing adjusted operating income by net sales, excluding precious metal content.

Senior management receives a monthly analysis of operating results that includes adjusted operating income. The performance of the Company is measured on this basis along with the adjusted non-US GAAP earnings noted above as well as other performance metrics. This non-US GAAP measure may differ from other companies and should not be considered in isolation from, or as a substitute for, measures of financial performance prepared in accordance with US GAAP.

(in millions, except percentage of net sales amount)	Year Ended December 31, 2015 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to Dentsply Sirona	$ 375.2	14.5%
Restructuring program related costs and other costs	81.1	3.2%
Amortization of purchased intangible assets	43.7	1.7%
Business combination related costs and fair value adjustments	13.1	0.5%
Credit risk and fair value adjustments	8.0	0.3%
Adjusted non-US GAAP Operating Income	$ 521.1	20.2%

(in millions, except percentage of net sales amounts)	Year Ended December 31, 2014 Operating Income (Loss)	Percentage of Net Sales, Excluding Precious Metal Content
Operating income attributable to Dentsply Sirona	$ 445.6	16.0%
Amortization of purchased intangible assets	47.9	1.7%
Restructuring program related costs and other costs	12.5	0.5%
Business combination related costs and fair value adjustments	6.8	0.2%
Adjusted non-US GAAP Operating Income	$ 512.8	18.4%

Operating Segment Results

Net Sales, Excluding Precious Metal Content (in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Dental and Healthcare Consumables	$ 1,868.8	$ 2,013.2	$ (144.4)	(7.2%)
Technologies	$ 712.7	$ 779.5	$ (66.8)	(8.6%)

Segment Operating Income (in millions, except percentage amounts)	Year Ended December 31, 2015	2014	$ Change	% Change
Dental and Healthcare Consumables	$ 470.1	$ 467.5	$ 2.6	0.6 %
Technologies	$ 93.7	$ 111.3	$ (17.6)	(15.8%)

Dental and Healthcare Consumables

Net sales, excluding precious metal content, decreased $144.4 million, or 7.2%, during 2015 as compared to 2014. On a constant currency basis, net sales, excluding precious metal content, increased 2.2% primarily due to sales growth in the Dental Consumable businesses partially offset by softer sales in the Dental Laboratory businesses as a result of product line discontinuations associated with the Company's global efficiency initiative.

Operating income improved $2.6 million or 0.6% during 2015 compared to 2014. The improvement in operating income was primarily the result of improved gross margins partially offset by higher operating expenses and negative foreign currency translation within these businesses in aggregate.

Technologies

Net sales, excluding precious metal content, decreased $66.8 million, or 8.6%, during 2015 compared to 2014. Sales increased on a constant currency basis by 0.9%, led by increased sales in the Implant business.

Operating income decreased $17.6 million or 15.8% during 2015 compared to 2014 as negative foreign currency translation offset operating improvements and income generated from internal sales growth.

CRITICAL ACCOUNTING JUDGMENTS AND POLICIES

The preparation of the Company's consolidated financial statements in conformity with US GAAP requires the Company to make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements. The process of determining significant estimates is fact specific and takes into account factors such as historical experience, current and expected economic conditions, product mix and in some cases, actuarial techniques. The Company evaluates these significant factors as facts and circumstances dictate. Some events as described below could cause results to differ significantly from those determined using estimates. The Company has identified the following accounting estimates as those which are critical to its business and results of operations.

Business Acquisitions

The Company acquires businesses as well as partial interests in businesses. Acquired businesses are accounted for using the acquisition method of accounting which requires the Company to record assets acquired and liabilities assumed at their respective fair values with the excess of the purchase price over estimated fair values recorded as goodwill. The assumptions made in determining the fair value of acquired assets and assumed liabilities as well as asset lives can materially impact the results of operations.

The Company obtains information during due diligence and through other sources to get respective fair values. Examples of factors and information that the Company uses to determine the fair values include: tangible and intangible asset evaluations and appraisals; evaluations of existing contingencies and liabilities and product line integration information. If the initial valuation for an acquisition is incomplete by the end of the quarter in which the acquisition occurred, the Company will record a provisional estimate in the financial statements. The provisional estimate will be finalized as soon as information becomes available but will only occur up to one year from the acquisition date.

Goodwill and Other Long-Lived Assets

Goodwill and Indefinite-Lived Assets

The Company follows the accounting standards for goodwill and indefinite-lived intangibles, which require an annual test for impairment to goodwill using a fair value approach. In addition to minimum annual impairment tests, the Company also requires that impairment assessments be made more frequently if events or changes in circumstances indicate that the goodwill or indefinite-lived assets might be impaired. If impairment related to goodwill is identified, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized.

Other Long-Lived Assets

Other long-lived assets, such as definite-lived intangible assets and fixed assets, are amortized or depreciated over their estimated useful lives. In accordance with US GAAP, these assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable based upon an evaluation of the identifiable undiscounted cash flows. If impaired based on the identifiable undiscounted cash flows, the asset's fair value is determined using the discounted cash flow and market participant assumptions. The resulting charge reflects the excess of the asset's carrying cost over its fair value.

Impairment Assessment

Assessment of the potential impairment of goodwill and other long-lived assets is an integral part of the Company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on numerous assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the Company's businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these assumptions, particularly changes in the Company's discount

rates, earnings multiples and future cash flows, the Company may be required to recognize impairment charges. Information with respect to the Company's significant accounting policies on goodwill and other long-lived assets are included in Note 1, Significant Accounting Policies, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K.

Annual Goodwill Impairment Testing

Goodwill is not amortized; instead, it is tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to sell a business. The valuation date for annual impairment testing is April 30. Judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flows, a significant adverse change in legal factors or in the business climate, unanticipated competition or slower growth rates, among others. It is important to note that fair values that could be realized in an actual transaction may differ from those used to evaluate the impairment of goodwill.

Goodwill is allocated among and evaluated for impairment at the reporting unit level, which is defined as an operating segment or one level below an operating segment. The Company has several reporting units contained within each operating segment.

The evaluation of impairment involves comparing the current fair value of each reporting unit to its net book value, including goodwill. The Company uses a discounted cash flow model ("DCF model") to estimate the current fair value of its reporting units when testing for impairment, as management believes forecasted operating cash flows are the best indicator of such fair value. A number of significant assumptions and estimates are involved in the application of the DCF model to forecast operating cash flows, including future sales growth, operating margin growth, benefits from restructuring initiatives, tax rates, capital spending, business initiatives, and working capital changes. These assumptions may vary significantly among the reporting units. Operating cash flow forecasts are based on approved business-unit operating plans for the early years and historical relationships and projections in later years. The weighted average cost of capital ("WACC") rate is estimated for geographic regions and applied to the reporting units located within the regions. The Company has not materially changed its methodology for goodwill impairment testing for the years presented. Due to the many variables inherent in the estimation of a reporting unit's fair value and the relative size of the Company's recorded goodwill, differences in assumptions may have a material effect on the results of the Company's impairment analysis.

The performance of the Company's 2016 annual impairment test did not result in any impairment of the Company's goodwill. The WACC rates utilized in the 2016 analysis ranged from 6.7% to 14.7%. Had the WACC rate of each of the Company's reporting units been hypothetically increased by 100 basis points at April 30, 2016, the fair value of those reporting units would still exceed net book value. If the fair value of each of the Company's reporting units had been hypothetically reduced by 5% at April 30, 2016, the fair value of those reporting units would still exceed net book value. If the fair value of each of the Company's reporting units had been hypothetically reduced by 10% at April 30, 2016, one reporting unit, within the Company's Technologies segment, would have a fair value that would approximate net book value. Goodwill for that reporting unit totals $66.0 million at April 30, 2016. To the extent that future operating results of the reporting units do not meet the forecasted cash flow projections, the Company can provide no assurance that a future goodwill impairment charge would not be incurred.

At December 31, 2016, the Company updated its goodwill impairment testing for the one reporting unit noted above based on current year financial performance. The review did not result in any impairment of the reporting units' goodwill balance. Assumptions used in the calculations of fair value were substantially consistent with those at April 30, 2016. Had the WACC rate of this reporting unit had been hypothetically increased by 100 basis points at December 31, 2016, the fair value of this reporting unit would still exceed net book value. If the fair value of this reporting unit had been hypothetically reduced by 5%, the fair value of would still exceed book value. If the fair value of the reporting unit had been hypothetically reduced by 10% at December 31, 2016, the reporting unit fair value would approximate net book value. At December 31, 2016, the goodwill balance for this reporting unit was $54.7 million. Additionally, three reporting units, all components of the Technologies operating segment, and one reporting unit, a component of the Dental and Healthcare Consumables operating segment, were created as a result of the Sirona merger on February 29, 2016. At the date of the Merger, the fair value of the businesses equaled book value with goodwill for the reporting units totaling $3,776.8 million. Given the limited time since the Merger date, the reporting units' fair values approximate the book values of the reporting units. Slower net sales growth rates in the dental industry, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flow projections, among other factors, may cause a change in circumstances indicating that the carrying value of the Company's goodwill may not be recoverable.

Should the Company's analysis in the future indicate an increase in discount rates or a degradation in the overall markets served by these reporting units, it could result in impairment of the carrying value of goodwill to its implied fair value. There can be no assurance that the Company's future goodwill impairment testing will not result in a charge to earnings.

Annual Indefinite-Lived Intangible Asset Impairment Testing

Indefinite-lived intangible assets consist of tradenames and are not subject to amortization; instead, they are tested for impairment annually or more frequently if indicators of impairment exist or if a decision is made to sell a business. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include a decline in expected cash flow projections, a significant adverse change in legal factors or in the business climate, unanticipated competition or slower growth rates, among others. It is important to note that fair values that could be realized in an actual transaction may differ from those used to evaluate the impairment of indefinite-lived assets.

The fair value of acquired tradenames is estimated by the use of a relief from royalty method, which values an indefinite-lived intangible asset by estimating the royalties saved through the ownership of an asset. Under this method, an owner of an indefinite-lived intangible asset determines the arm's length royalty that likely would have been charged if the owner had to license the asset from a third party. The royalty, which is based on the estimated rate applied against forecasted sales, is tax-effected and discounted at present value using a discount rate commensurate with the relative risk of achieving the cash flow attributable to the asset. Management judgment is necessary to determine key assumptions, including projected revenue, royalty rates and appropriate discount rates. Royalty rates used are consistent with those assumed for the original purchase accounting valuation. Other assumptions are consistent with those applied to goodwill impairment testing.

The performance of the Company's 2016 annual impairment test did not result in any impairment of the Company's indefinite-lived assets. Except for the indefinite-lived intangibles noted below, if the fair value of each of the Company's indefinite-lived intangible assets had been hypothetically reduced by 10% or the discount rate had been hypothetically increased by 50 basis points, at December 31, 2016, the fair value of these assets would still exceed their book value. Additionally, indefinite-lived assets recorded on three reporting units, all within the Technologies operating segment, and indefinite-lived assets recorded on one reporting unit within the Dental and Healthcare Consumables operating segment, were identified and fair valued as result of the Sirona merger on February 29, 2016. At the date of the Merger, the fair value of the indefinite-lived assets equaled book value totaling $905.0 million. Given the limited time since the Merger date, the indefinite-lived asset's fair values approximate the book values. Slower net sales growth rates in the dental industry, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flow projections, among other factors, may cause a change in circumstances indicating that the carrying value of the Company's indefinite-lived assets may not be recoverable.

Should the Company's analysis in the future indicate an increase in discount rates or a degradation in the use of the tradenames, it could result in impairment of the carrying value of the indefinite-lived assets to its implied fair value. There can be no assurance that the Company's future indefinite-lived asset impairment testing will not result in a charge to earnings.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges is a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel based on information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and discloses any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has appropriately estimated liabilities for probable losses in the past; however, the unpredictability of litigation and court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

Income Taxes

Income taxes are determined using the liability method of accounting for income taxes. The Company's tax expense includes the U.S. and international income taxes plus the provision for U.S. taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested.

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than

not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely. At December 31, 2016, the Company has a valuation allowance of $182.7 million against the benefit of certain deferred tax assets of foreign and domestic subsidiaries.

The Company operates within multiple taxing jurisdictions and in the normal course of business is examined in various jurisdictions. The reversal of accruals is recorded when examinations are completed, statutes of limitation are closed or tax laws are changed.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities during the year ended December 31, 2016 were $563.4 million compared to $497.4 million during the year ended December 31, 2015. Net income improved by $180.4 million in the period ended December 31, 2016 compared to the prior year, largely from the Merger and acquisition growth. This improvement was offset by increases in accounts receivable and prepaid expenses and merger transaction related fees and integration costs. Working capital uses consumed $153.4 million in 2016 compared to cash generated of $65.4 million in 2015. Primary working capital (defined as inventories plus accounts receivable less accounts payable, a non-US GAAP measure) consumed $112.6 million of operating cash flow in 2016 compared to sources of $46.1 million in 2015. The investment of $112.6 million during the 2016 calendar year came from higher accounts receivable of $75.1 million, higher inventory of $ 11.6 million, and investment of $25.9 million in prepaid expenses and other current assets, net of accruals. This investment in primary working capital was partially offset by a reduction in inventory of $77.0 million related to the roll off of fair value adjustments from the Merger and acquisitions. The decline in total working capital was further impacted by higher tax payments of $137.1 million in 2016 versus 2015. The Company's cash and cash equivalents increased by $99.3 million during the year ended December 31, 2016 to $383.9 million.

For the year ended December 31, 2016, on a constant currency basis, the number of days for sales outstanding in accounts receivable increased by 4 days to 58 days as compared to 54 days in 2015. On a constant currency basis, the number of days of sales in inventory increased by 3 days to 113 days at December 31, 2016 as compared to 110 days at December 31, 2015.

Investing activities during 2016 included cash acquired in the Merger of $522.3 million partially offset by capital expenditures of $125.0 million and acquisitions of businesses of $341.8 million. The Company expects capital expenditures to be in the range of approximately $120.0 million to $140.0 million for the full year 2017.

At December 31, 2016, the Company had authorization to maintain up to 39.0 million shares of treasury stock under its stock repurchase program as approved by the Board of Directors. Under this program, the Company purchased approximately 13.4 million shares, or approximately 6.0% of average diluted shares outstanding, during 2016 at a cost of $815.1 million for an average price of $60.78. As of December 31, 2016 and 2015, the Company held 34.4 million and 22.7 million shares of treasury stock, respectively. The Company also received proceeds of $41.0 million primarily as a result of 1.2 million stock options exercised during the year ended December 31, 2016.

Total debt increased by $379.1 million for the year ended December 31, 2016. Dentsply Sirona's long-term debt, including the current portion, at December 31, 2016 and 2015 was $1,522.1 million and $1,150.2 million, respectively. The Company's long-term debt, including the current portion increased by a net of $371.9 million during the year ended December 31, 2016. This net change included a net increase in borrowings of $407.0 million, and a decrease of $35.1 million due to exchange rate fluctuations on debt denominated in foreign currencies. The net increase in long term borrowings reflects new financing in February, August, and October, 2016, as described below, to refinance maturing debt and fund acquisitions. At December 31, 2016 and 2015, there were no outstanding borrowings under the commercial paper facility. During the year ended December 31, 2016, the Company's ratio of net debt to total capitalization decreased to 12.4% compared to 27.1% at December 31, 2015. Dentsply Sirona defines net debt as total debt, including current and long-term portions, less cash and cash equivalents and total capitalization as the sum of net debt plus total equity.

Pursuant to the December 11, 2015, Note Purchase Agreement the Company issued private placement notes on February 19, 2016 and August 15, 2016 in various aggregate principal amounts as follows:

On February 19, 2016, the Company issued a total of 71.0 million euros aggregate principal amount bearing average interest of 2.30%, with an average maturity of 13 years spanning 2026 through 2031. Proceeds from the senior notes were used to pay the final required payment of $75.0 million under the $250.0 million private placement notes that matured on February 19, 2016.

On August 15, 2016, the Company issued a total of 263.0 million Swiss francs aggregate principal amount bearing average interest of 1.17%, with an average maturity 12 years spanning 2026 to 2031. On August 15, 2016, the Company issued a total of 106 million euros aggregate principal amount bearing average interest of 2.25%, with maturity 10 years maturing in 2026. Proceeds

from the senior notes were used to pay the maturing bond principal of $300.0 million due August 15, 2016 and to pre-pay Swiss franc 65.0 million final required payment under the term loan that matured on September 1, 2016.

On October 27, 2016, the Company executed a new Note Purchase Agreement in a private placement with institutional investors to sell 350.0 million euros aggregate principal amount of senior notes at a weighted average interest rate of 1.40%. The notes have an average maturity of 12 years and mature in years from 2024 through 2031. Proceeds from these senior notes were used to finance acquisitions in the fourth quarter of 2016.

Effective June 30, 2016, the Company amended and extended its $500 million multicurrency revolving credit facility for an additional year thorough July 23, 2021. In addition, certain non-extending members of the bank group were replaced with existing and new lenders. The Company has access to the full $500 million through July 23, 2021. The facility is unsecured and contains certain affirmative and negative covenants relating to the operations and financial condition of the Company. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At December 31, 2016 and 2015, there were no outstanding borrowings under the revolving credit facility.

The Company’s revolving credit facility, term loans and senior notes contain certain affirmative and negative covenants relating to the Company's operations and financial condition. These credit agreements contain a number of covenants and two financial ratios, which the Company is required to satisfy. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of total debt outstanding to total capital not to exceed the ratio of 0.6 to 1.0, and operating income excluding depreciation and amortization to interest expense of not less than 3.0 times. Any breach of any such covenants or ratios would result in a default under the existing debt agreements that would permit the lenders to declare all borrowings under such debt agreements to be immediately due and payable and, through cross default provisions, would entitle the Company's other lenders to accelerate their loans. At December 31, 2016, the Company was in compliance with these covenants.

The Company also has access to $53.2 million in uncommitted short-term financing under lines of credit from various financial institutions. The lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions. At December 31, 2016, $10.1 million was outstanding under these short-term lines of credit. At December 31, 2016, the Company had total unused lines of credit related to the revolving credit agreement and the uncommitted short-term lines of credit of $549.4 million.

The Company expects on an ongoing basis to be able to finance cash requirements, including capital expenditures in a range of $120 million to $140 million, stock repurchases, debt service, operating leases and potential future acquisitions, from the current cash, cash equivalents and short-term investment balances, funds generated from operations and amounts available under its existing credit facilities, which is further discussed in Note 12, Financing Arrangements, to the Consolidated Financial Statements in Item 15 in this Form 10-K. The Company intends to pay or refinance the current portion of long term debt due in 2017 utilizing cash or available credit. As noted in the Company's Consolidated Statements of Cash Flows in Item 15 in this Form 10-K, the Company continues to generate strong cash flows from operations, which is used to finance the Company's activities.

At December 31, 2016, the majority of the Company’s cash and cash equivalents were held outside of the United States. The majority of the Company’s excess free cash flow is generated outside of the United States. Most of the foreign excess free cash flow could be repatriated to the United States, however, under current law, potentially may be subject to U.S. federal income tax, less applicable foreign tax credits. The Company expects to repatriate its foreign excess free cash flow (the amount in excess of capital investment and acquisition needs), subject to current regulations, to fund ongoing operations and capital needs. Historically, the Company has generated more than sufficient operating cash flows in the United States to fund domestic operations. Further, the Company expects on an ongoing basis, to be able to finance domestic and international cash requirements, including capital expenditures, stock repurchases, debt service, operating leases and potential future acquisitions, from the funds generated from operations and amounts available under its existing credit facilities.

Off Balance Sheet Arrangements

At December 31, 2016, the Company held $34.4 million of precious metals on consignment from several financial institutions. Under these consignment arrangements, the banks own the precious metal, and, accordingly, the Company does not report this consigned inventory as part of its inventory on the Consolidated Balance Sheet. These consignment agreements allow the Company to acquire the precious metal at market rates at a point in time, which is approximately the same time, and for the same price as alloys are sold to the Company's customers. In the event that the financial institutions would discontinue offering these consignment arrangements, and if the Company could not obtain other comparable arrangements, the Company may be required to obtain third party financing to fund an ownership position to maintain precious metal inventory at operational levels.

Contractual Obligations

The following table presents the Company's scheduled contractual cash obligations at December 31, 2016:

Contractual Obligations (in millions)	Within 1 Year	Years 2-3	Years 4-5	Greater Than 5 Years	Total
Long-term borrowings	$ 11.0	$ 128.3	$ 420.6	$ 968.3	$ 1,528.2
Operating leases	38.9	75.4	35.5	32.4	182.2
Interest on long-term borrowings, net of interest rate swap agreements	32.5	64.1	58.1	67.5	222.2
Postemployment obligations	16.1	31.6	34.6	99.1	181.4
Precious metal consignment agreements	34.4	—	—	—	34.4
	$ 132.9	$ 299.4	$ 548.8	$ 1,167.3	$ 2,148.4

Due to the uncertainty with respect to the timing of future cash flows associated with the Company's unrecognized tax benefits at December 31, 2016, the Company is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority; therefore, $13.7 million of the unrecognized tax benefit has been excluded from the contractual obligations table above (See Note 14, Income Taxes, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K).

NEW ACCOUNTING PRONOUNCEMENTS

Refer to Note 1, Significant Accounting Policies, in the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K for a discussion of recent accounting guidance and pronouncements.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company’s major market risk exposures are changing interest rates, movements in foreign currency exchange rates and potential price volatility of commodities used by the Company in its manufacturing processes. The Company’s policy is to manage interest rates through the use of floating rate debt and interest rate swaps to adjust interest rate exposures when appropriate, based upon market conditions. The Company employs foreign currency denominated debt and currency swaps which serve to partially offset the Company’s exposure on its net investments in subsidiaries denominated in foreign currencies. The Company’s policy generally is to hedge major foreign currency transaction exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions thereby minimizing the risk of credit loss. In order to limit the unanticipated earnings fluctuations from volatility in commodity prices, the Company selectively enters into commodity swaps to convert variable raw material costs to fixed costs. The Company does not hold or issue derivative financial instruments for speculative or trading purposes. The Company is subject to other foreign exchange market risk exposure in addition to the risks on its financial instruments, such as possible impacts on its pricing and production costs, which are difficult to reasonably predict, and have therefore not been included below.

Foreign Exchange Risk Management

The Company enters into derivative financial instruments to hedge the foreign exchange revaluation risk associated with recorded assets and liabilities that are denominated in a non-functional currency. The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances. The Company primarily uses forward foreign exchange contracts and cross currency basis swaps to hedge these risks.

The Company uses a layered hedging program to hedge select anticipated foreign currency cash flows to reduce volatility in both cash flows and reported earnings of the consolidated Company. These cash flow hedges have maturities of six to 18 months

and do not change the underlying long term foreign currency exchange risk. The Company accounts for the forward foreign exchange contracts as cash flow hedges.

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. Currently, the Company uses both non-derivative financial instruments, including foreign currency denominated debt held at the parent company level and foreign exchange forward contracts to hedge some of this exposure. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the non-derivative and derivative financial instruments designated as hedges of net investment.

At December 31, 2016, a 10% strengthening of the U.S. dollar against all other currencies would improve the net fair value associated with the forward foreign exchange contracts by approximately $15.9 million.

Interest Rate Risk Management

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt and, in the past, to convert fixed rate debt to variable rate debt. At December 31, 2016, the Company has one significant interest rate swap. This interest rate swap has notional amounts totaling 12.6 billion Japanese yen, and effectively converts the underlying variable interest rates to an average fixed interest rate of 0.9% for a term of five years, ending in September 2019. The interest rates on variable rate term loan debt are consistent with current market conditions, therefore the fair value of this instrument approximates its carrying values.

At December 31, 2016, an increase of 1.0% in the interest rates on the variable interest rate instruments would increase the Company's annual interest expense by approximately $1.6 million.

Consignment Arrangements

The Company consigns the precious metals used in the production of precious metal dental alloy products from various financial institutions. Under these consignment arrangements, the banks own the precious metal, and, accordingly, the Company does not report this consigned inventory as part of its inventory on the Consolidated Balance Sheet. These agreements are cancelable by either party at the end of each consignment period, which typically run for a period of one to nine months; however, because the Company typically has access to numerous financial institutions with excess capacity, consignment needs created by cancellations can be shifted among the other institutions. The consignment agreements allow the Company to take ownership of the metal at approximately the same time customer orders are received and to closely match the price of the metal acquired to the price charged to the customer (i.e., the price charged to the customer is largely a pass through).

As precious metal prices fluctuate, the Company evaluates the impact of the precious metal price fluctuation on its target gross margins for precious metal dental alloy products and revises the prices customers are charged for precious metal dental alloy products accordingly, depending upon the magnitude of the fluctuation. While the Company does not separately invoice customers for the precious metal content of precious metal dental alloy products, the underlying precious metal content is the primary component of the cost and sales price of the precious metal dental alloy products. For practical purposes, if the precious metal prices go up or down by a small amount, the Company will not immediately modify prices, as long as the cost of precious metals embedded in the Company's precious metal dental alloy price closely approximates the market price of the precious metal. If there is a significant change in the price of precious metals, the Company adjusts the price for the precious metal dental alloys, maintaining its margin on the products.

At December 31, 2016, the Company had approximately 44,100 troy ounces of precious metal, primarily gold, platinum, palladium and silver on consignment for periods of less than one year with a market value of $34.4 million. Under the terms of the consignment agreements, the Company also makes compensatory payments to the consignor banks based on a percentage of the value of the consigned precious metals inventory. At December 31, 2016, the average annual rate charged by the consignor banks was 0.6%. These compensatory payments are considered to be a cost of the metals purchased and are recorded as part of the cost of products sold.

Item 8. Financial Statements and Supplementary Data

The information set forth under the captions Management's Report on Internal Control Over Financial Reporting, Report of Independent Registered Public Accounting Firm, Consolidated Statements of Operations, Consolidated Statements of Comprehensive Income, Consolidated Balance Sheets, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements is filed, in Item 15 of this Form 10-K. Other information required by Item 8 is included in Computation of Ratios of Earnings to Fixed Charges filed as Exhibit 12.1 to this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that it is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control Over Financial Reporting

Management's report on the Company's internal control over financial reporting is included under Item 15(a)(1) of this Form 10-K.

(c) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are likely to materially affect, its internal control over financial reporting.

Item 9B. Other Information

In the fourth quarter of the year ended December 31, 2016, the Company reported all information that was required to be disclosed in a current report on Form 8-K.

Because we are filing this annual report on Form 10-K within four business days after the applicable triggering events, we are making the following disclosures under Part II, Item 9B of this annual report instead of filing a report on Form 8-K for Item 5.02(b) Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers and Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year:

Item 5.02(b)

On February 24, 2017, it was announced that Robert J. Size would leave his position as Senior Vice President of Dentsply Sirona Inc. (the "Company") effective as of June 30, 2017. Mr. Size will assist the Company in the transition of his responsibilities until his departure.

Item 5.03

Third Amended and Restated By-Laws

The third amendment and restatement of the Company's By-laws (the "Amended By-laws"), as approved by the Board of Directors, became effective on February 23, 2017. The following descriptions of the changes reflected in the Amended By-laws

do not purport to be complete and are qualified in their entirety by reference to the full text of the Amended By-laws, a copy of which is attached hereto as Exhibit 3.2 and incorporated herein by reference.

Proxy Access

ARTICLE I, Section 12a (Stockholder Nominations Included in the Corporation's Proxy Statement) was added to permit, commencing after the Company's 2017 annual meeting of stockholders, a stockholder, or a group of no more than 20 stockholders, owning at least three percent of the Company's outstanding common stock continuously for at least three years, to nominate and include in the Company's proxy materials for its annual meeting of stockholders director nominees constituting up to the greater of two directors or 20% of the total number of directors then serving on the Board, provided that the stockholder(s) and their nominee(s) satisfy the eligibility, procedural and disclosure requirements set forth in ARTICLE I, Section 12a of the Amended By-laws.

The Amended By-laws also include certain ministerial, clarifying and conforming changes in ARTICLE I, Sections 11, 12 and 13 related to the addition of the proxy access right described above.

Modernizing and Clarifying Changes

A number of modernizing and/or clarifying changes were made to the By-laws as follows:

(1) ARTICLE I, Sections 1 (Annual Meetings) and 2 (Special Meetings) were revised to provide that the Company may postpone, reschedule or cancel any annual or special meeting previously called by the Board of Directors.
(2) ARTICLE I, Section 3 (Place of Meeting) was revised by deleting that a waiver of notice signed by all stockholders entitled to vote at a meeting may designate any place as the place for such meeting.
(3) ARTICLE I, Section 4 (Notice of Meeting) was revised (i) to provide for the possibility of meeting attendance via remote communication and different record dates for notice and voting rights; and (ii) by deleting that notice may be delivered personally or by mail at the discretion of the Chief Executive Officer or the officer or persons calling the meeting.
(4) ARTICLE I, Section 5 (Fixing of Record Date) was revised (i) to provide for the possibility of different record dates for notice and voting rights as well as certain stipulation with regards to the fixing of record dates; and (ii) by deleting that the stock transfer books may not be closed before the record date for notice, voting or dividend rights.
(5) ARTICLE I, Section 6 (Quorum; Adjournments) was revised (i) to provide further detail regarding the adjournment and reconvening of meetings, and (ii) by deleting a provision by which a meeting is property constituted if notice was properly given, waived or deemed waived.
(6) ARTICLE I, Section 7 (Proxies) was revised to provide that proxies shall be valid for up to three years from their date of issuance and may only be irrevocable if coupled with an interest sufficient in law to support an irrevocable power.
(7) ARTICLE I, Section 8 (Voting of Shares) was revised (i) to provide for the possibility of different record dates for notice and voting rights; and (ii) by deleting that shares of a corporation may be voted by any officer or proxy appointed by any officer in the absence of express notice that such officer has no authority to vote.
(8) ARTICLE I, Section 9 (List of Stockholders) was revised to provide certain details with regards to the preparation and examination of the stock ledger, as well as providing for the possibility of access via an electronic network and meetings held solely by means of remote communication.
(9) ARTICLE I, Section 10 (Waiver of Notice by Stockholders) was revised to provide for the possibility of electronic transmission of a waiver.
(10) ARTICLE I, Sections 11 (Advance Notice) and 12 (Procedure for Nomination of Directors) were revised to provide that where the annual meeting is called for a date that is more than 30 days before or 60 days after its anniversary date, notice is timely if received not later than the close of business on the 90th day prior to the annual meeting or, if later, the 10th day following mailing of the notice or public disclosure of the annual meeting.
(11) ARTICLE I, Section 13 (Stockholder Voting) was revised to provide that all other proposals aside from director elections shall be decided by a majority vote of the shares present in person or by proxy and entitled to vote, unless otherwise required by applicable laws, rules or regulations, the Company's Certificate of Incorporation or By-laws.
(12) ARTICLE I, Section 14 (Conduct of Meetings) was inserted to provide certain procedural guidelines for the conduct of meetings and stipulate certain powers of the presiding person.
(13) ARTICLE II, Section 1 (General Powers) was revised to provide that the business and affairs of the Company may be managed under the direction of the Board of Directors.

(14) ARTICLE II, Section 2 (Number of Directors, Tenure and Qualifications) was revised by deleting that any director filling a vacancy as the result of an increase in the number of directors shall hold office until the next annual meeting but a decrease in the number of directors shall not shorten the term of an incumbent director, and that an election shall be held at an adjournment or a special meeting if not held at the annual meeting.

(15) ARTICLE II, former Section 10 (Presumption of Assent) was deleted.

(16) ARTICLE II, new Section 10 (Committees) was revised to delete certain restrictions with regards to committees.

(17) ARTICLE II, Sections 11 (Action of the Board by Written Consent) and 12 (Conferences) were revised to provide for the possibility of electronic transmissions.

(18) ARTICLE III, Section 6 (Chief Executive Officer, President) was revised to provide that unless another officer has been elected President of the Company, the Chief Executive Officer shall also be President and as such may, together with the Secretary, sign certificates for shares of the capital stock of the corporation.

(19) ARTICLE III, Section 8 (Secretary and Assistant Secretaries) and ARTICLE IV, Section 1 (Shares of Stock) were revised to replace “Chief Executive Officer” with “President” as regards the signing of share certificates.

(20) ARTICLE V, Section 1 (Indemnification Generally) was revised to delete employees and agents of the Company.

(21) ARTICLE V, Section 4 (Determination that Indemnification is Proper) was revised to provide that present or former directors may demand that determination of entitlement to indemnification be made by independent counsel.

(22) ARTICLE VI (Exclusive Form) was revised to include fiduciary duties owed by stockholders, actions in connection with the Company’s Certificate of Incorporation or By-laws, and all claims covered by the internal affairs doctrine.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required under this item is set forth in the 2017 Proxy Statement, which is incorporated herein by reference.

Code of Ethics

The Company has a Code of Business Conduct and Ethics that applies to the Chief Executive Officer, Chief Financial Officer and the Board of Directors and substantially all of the Company's management level employees. A copy of the Code of Business Conduct and Ethics is available in the Investor Relations section of the Company's website at www.dentsplysirona.com. The Company intends to disclose any amendment to its Code of Business Conduct and Ethics that relates to any element enumerated in Item 406(b) of Regulation S-K, and any waiver from a provision of the Code of Business Conduct and Ethics granted to any director, principal executive officer, principal financial officer, principal accounting officer, or any of the Company's other executive officers, in the Investor Relations section of the Company's website at www.dentsplysirona.com, within four business days following the date of such amendment or waiver.

Item 11. Executive Compensation

The information required under this item is set forth in the 2017 Proxy Statement, which is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required under this item is set forth in the 2017 Proxy Statement, which is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information required under this item is presented in the 2017 Proxy Statement, which is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information required under this item is set forth in the 2017 Proxy Statement, which is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedule

(a) Documents filed as part of this Report

1. Financial Statements

The following consolidated financial statements of the Company are filed as part of this Form 10-K:

Management's Report on Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm
Consolidated Statements of Operations - Years ended December 31, 2016, 2015 and 2014
Consolidated Statements of Comprehensive Income - Years ended December 31, 2016, 2015 and 2014
Consolidated Balance Sheets - December 31, 2016 and 2015
Consolidated Statements of Changes in Equity - Years ended December 31, 2016, 2015 and 2014
Consolidated Statements of Cash Flows - Years ended December 31, 2016, 2015 and 2014
Notes to Consolidated Financial Statements
Quarterly Financial Information (Unaudited)

2. Financial Statement Schedule

The following financial statement schedule is filed as part of this Form 10-K and is covered by the Report of Independent Registered Public Accounting Firm:

Schedule II — Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required to be included herein under the related instructions or are inapplicable and, therefore, have been omitted.

3. Exhibits

The Exhibits listed below are filed or incorporated by reference as part of the Company's Form 10-K.

Exhibit Number		Description
2.1		Agreement and Plan of Merger, dated as of September 15, 2015, by and among DENTSPLY International Inc., Sirona Dental Systems, Inc. and Dawkins Merger Sub Inc. (18)
3.1		Amended and Restated Certificate of Incorporation (Filed herewith)
3.2		By-Laws, as amended and restated (Filed herewith)
4.1	(a)	United States Commercial Paper Dealer Agreement dated as of March 28, 2002 between the Company and Citigroup Global Markets Inc. (formerly known as Salomon Smith Barney Inc.)(formerly Exhibit 4.1(b)) (6)
	(b)	First Amendment to the United States Commercial Paper Dealer Agreement dated as of March 28, 2002 between the Company and Citigroup Global Markets Inc. (formerly known as Salomon Smith Barney Inc.) (17)
4.2	(a)	United States Commercial Paper Dealer Agreement dated as of August 18, 2011 between the Company and J.P. Morgan Securities LLC (17)
	(b)	First Amendment to the United States Commercial Paper Dealer Agreement dated as of August 18, 2011 between the Company and J.P. Morgan Securities LLC (17)
4.3		$500.0 Million Credit Agreement, dated as of July 23, 2014 final maturity in July 23, 2019, by and among the Company, the subsidiary borrowers party thereto, the lenders party thereto, JPMorgan Chase Bank, N.A. as administrative agent, Citibank N.A. as Syndication Agent, Bank of Tokyo-Mitsubishi UFJ, LTD and Wells Fargo Bank, N.A., Commerzbank AG, and HSBC Bank USA N.A. as co-documentation agents, and J.P. Morgan Securities LLC and Citibank Global Markets Inc., as Joint Bookrunners and Joint Lead Arrangers (17)
	(a)	First Amendment to the $500.0 Million Credit Agreement dated as of July 1, 2015 between the Company and the Subsidiary Borrowers party (19)

	(b)	Second Amendment to the $500.0 Million Credit Agreement dated November 30, 2015 between the Company and Subsidiary Borrowers party (19)
4.4		$250.0 Million Private Placement Note Purchase Agreement, due February 19, 2016 dated as of October 16, 2009 (10)
4.5	(a)	65.0 Million Swiss Franc Term Loan Agreement, due March 1, 2012 dated as of February 24, 2010 (11)
	(b)	First Amendment to the 65.0 Million Swiss Franc Term Loan Agreement dated May 21, 2010 between the Company, the Lenders, and PNC Bank National Association, as Agent (19)
	(c)	Second Amendment to the 65.0 Million Swiss Franc Term Loan Agreement dated August 31, 2011 due September 1, 2016, between the Company, the Lenders, and PNC Bank, National Association, as Agent (12)
	(d)	Third Amendment to the 65.0 Million Swiss Franc Term Loan Agreement dated November 30, 2015 (19)
4.10		$175.0 Million Credit Agreement dated August 26, 2013 among DENTSPLY International Inc., PNC Bank, National Association as Administrative Agent and the Lenders Party thereto (16)
	(a)	First Amendment to the $175.0 Million Credit Agreement dated November 30, 2015 between the Company and PNC Bank, National Association as Administrative Agent and the Lenders Party thereto (19)
4.11		Form of Indenture (13)
4.12		Supplemental Indenture, dated August 23, 2011 between DENTSPLY International Inc., as Issuer and Wells Fargo, National Association, as Trustee (14)
4.14		12.55 Billion Japanese Yen Term Loan Agreement between the Company and Bank of Tokyo dated September 22, 2014 due September 28, 2019, between the Company, The Bank of Tokyo-Mitsubishi UFJ, LTD as Sole Lead Arranger, Development Bank of Japan, Inc. as Co-Arranger, The Bank of Tokyo-Mitsubishi UFJ, LTD, as Administrative Agent (17)
	(a)	First Amendment to 12.55 Billion Japanese Yen Term Loan Agreement dated December 18, 2015 between the Company and Bank of Tokyo-Mitsubishi UFJ, LTD (19)
4.15		United States Commercial Paper issuing and paying Agency Agreement dated as of November 4, 2014, between the Company and U.S. Bank N.A. (17)
4.16		Note Purchase Agreement, dated December 11, 2015, by and among the Company and the purchasers listed in Schedule A thereto (19)
4.17		Note Purchase Agreement, dated October 27, 2016, by and among the Company and the purchasers listed in Schedule A thereto (Filed herewith)
10.2		2002 Amended and Restated Equity Incentive Plan (8)
10.3		Restricted Stock Unit Deferral Plan (19)
10.4	(a)	Trust Agreement for the Company’s Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (3)
	(b)	Plan Recordkeeping Agreement for the Company’s Employee Stock Ownership Plan between the Company and T. Rowe Price Trust Company dated as of November 1, 2000 (3)
10.5		DENTSPLY Supplemental Saving Plan Agreement dated as of December 10, 2007 (8)
10.6		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Bret W. Wise* (8)
10.7		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Christopher T. Clark* (8)
10.10		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and James G. Mosch* (8)
10.11		Amended and Restated Employment Agreement entered February 19, 2008 between the Company and Robert J. Size* (8)
10.12		Amended and Restated Employment Agreement entered January 1, 2009 between the Company’s subsidiary, DeguDent GMBH and Albert Sterkenburg* (9)
10.13		DENTSPLY International Inc. Directors’ Deferred Compensation Plan effective January 1, 2007, as amended* (9)
10.14		Board Compensation Arrangement* (19)
10.15		Supplemental Executive Retirement Plan effective January 1, 1999, as amended January 1, 2008* (9)
10.16		Incentive Compensation Plan, amended and restated* (12)
10.17		AZ Trade Marks License Agreement, dated January 18, 2001 between AstraZeneca AB and Maillefer Instruments Holdings, S.A. (3)

10.18	(a)	Precious metal inventory Purchase and Sale Agreement dated November 30, 2001, as amended October 10, 2006 between Bank of Nova Scotia and the Company (7)
	(b)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between JPMorgan Chase Bank and the Company (4)
	(c)	Precious metal inventory Purchase and Sale Agreement dated December 20, 2001 between Mitsui & Co., Precious Metals Inc. and the Company (4)
	(e)	Precious metal inventory Purchase and Sale Agreement dated January 30, 2002 between CommerzbankAG, Frankfurt, and the Company (8)
	(f)	Precious metal inventory Purchase and Sale Agreement dated December 6, 2010, as amended February 8, 2013 between HSBC Bank USA, National Association and the Company (16)
	(g)	Precious metal inventory Purchase and Sale Agreement dated April 29, 2013 between The Toronto-Dominion Bank and the Company (16)
10.19		Executive Change in Control Plan for foreign executives, as amended December 31, 2008* (10)
10.20		2010 Equity Incentive Plan, amended and restated (19)
10.22		Employment Agreement, dated December 11, 2015, between DENTSPLY International Inc. and Bret W. Wise* (19)
10.23		Employment Agreement, dated February 12, 2016, between DENTSPLY SIRONA Inc. and Christopher T. Clark* (Filed herewith)
10.24		Employment Agreement, dated February 12, 2016, between DENTSPLY SIRONA Inc. and Ulrich Michel* (Filed herewith)
10.25		2016 Omnibus Incentive Plan (Filed herewith)
10.26		Employment Agreement, dated December 11, 2015, between DENTSPLY International Inc., Sirona Dental Systems, Inc. and Jeffrey T. Slovin* (Filed herewith)
10.27		Amended and Restated U.S. Distributorship Agreement, dated May 31, 2012, by and between Patterson Companies, Inc. and Sirona Dental Systems, Inc. (20)
10.28		Amended and Restated U.S. CAD-CAM Distributorship Agreement, dated May 31, 2012, by and between Patterson Companies, Inc. and Sirona Dental Systems GmbH (20)
10.29		Sirona Dental Systems, Inc. Equity Incentive Plan, as Amended (Filed herewith)
10.30		Sirona Dental Systems, Inc. 2015 Long-Term Incentive Plan (Filed herewith)
12.1		Computation of Ratio of Earnings to Fixed Charges (Filed herewith)
21.1		Subsidiaries of the Company (Filed herewith)
23.1		Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP
31.1		Section 302 Certification Statement Chief Executive Officer
31.2		Section 302 Certification Statements Chief Financial Officer
32		Section 906 Certification Statement
101.INS		XBRL Instance Document
101.SCH		XBRL Taxonomy Extension Schema Document
101.CAL		XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF		XBRL Taxonomy Extension Definition Linkbase Document
101.LAB		XBRL Extension Labels Linkbase Document
101.PRE		XBRL Taxonomy Extension Presentation Linkbase Document

*Management contract or compensatory plan.

(1) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 dated June 4, 1998 (No. 333-56093).

(2) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 1999, File No. 0-16211.

(3) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2000, File No. 0-16211.

(4) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2001, File No. 0-16211.

(5) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 dated November 27, 2002 (No. 333-101548).

(6) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2002, File No. 0-16211.

(7) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2006, File no. 0-16211.

(8) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2007, File No. 0-16211.

(9) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2008, File No. 0-16211.

(10) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2009, File no. 0-16211.

(11) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2010, File no. 0-16211.

(12) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2011, File no. 0-16211.

(13) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-3 dated August 15, 2011 (No. 333-176307).

(14) Incorporated by reference to exhibit included in the Company's Form 8-K dated August 29, 2011, File no. 0-16211.

(15) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2012, File no. 0-16211.

(16) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2013, File no. 0-16211.

(17) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2014, File no. 0-16211.

(18) Incorporated by reference to exhibit included in the Company's Form 8-K dated September 16, 2015, File no. 0-16211.

(19) Incorporated by reference to exhibit included in the Company's Form 10-K for the fiscal year ended December 31, 2015, File no. 0-16211.

(20) Incorporated by reference to exhibit included in the Form 8-K/A, filed by Sirona Dental Systems, Inc. on July 12, 2012 (File no 000-22673).

SCHEDULE II

DENTSPLY SIRONA INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 and 2014

(in millions) Description	Balance at Beginning of Period	Additions Charged (Credited) To Costs And Expenses	Additions Charged to Other Accounts	Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
Allowance for doubtful accounts:						
For Year Ended December 31,						
2014	$ 14.2	$ (1.7)	$ 0.5	$ (2.4)	$ (1.8)	$ 8.8
2015	8.8	4.3	1.4	(2.2)	(1.6)	10.7
2016	10.7	9.2	4.3	(2.5)	1.0	22.7
Deferred tax asset valuation allowance:						
For Year Ended December 31,						
2014	$ 228.9	$ 28.7	$ —	$ —	$ (4.3)	$ 253.3
2015	253.3	26.7	—	—	(5.7)	274.3
2016	274.3	(99.9)	8.5	—	(0.2)	182.7

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934, as amended. The 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 accounting principles generally accepted in the United States of America. A Company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; 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 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. In addition, 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.

Management of the Company has assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2016. In making its assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on its assessment management concluded that, as of December 31, 2016, the Company's internal control over financial reporting was effective based on the criteria established in *Internal Control – Integrated Framework (2013)* issued by the COSO.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2016 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report, which appears herein.

/s/	*Jeffrey T. Slovin*	*/s/*	*Ulrich Michel*
	Jeffrey T. Slovin Chief Executive Officer March 1, 2017		Ulrich Michel Executive Vice President and Chief Financial Officer March 1, 2017

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders
of DENTSPLY SIRONA Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of Dentsply Sirona Inc. and its subsidiaries at December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under 15(a)(2), presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control - Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting, appearing under Item 15(a)(1). Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Harrisburg, Pennsylvania
March 1, 2017

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts)

	Year Ended December 31,		
	2016	2015	2014
Net sales	$ 3,745.3	$ 2,674.3	$ 2,922.6
Cost of products sold	1,744.4	1,157.1	1,322.8
Gross profit	2,000.9	1,517.2	1,599.8
Selling, general and administrative expenses	1,523.0	1,077.3	1,143.1
Restructuring and other costs	23.2	64.7	11.1
Operating income	454.7	375.2	445.6
Other income and expenses:			
Interest expense	35.9	55.9	46.9
Interest income	(2.0)	(2.2)	(5.6)
Other expense (income), net	(20.1)	(8.2)	(0.1)
Income before income taxes	440.9	329.7	404.4
Provision for income taxes	9.5	77.0	81.1
Equity in net loss of unconsolidated affiliated company	—	(1.6)	(0.4)
Net income	431.4	251.1	322.9
Less: Net income (loss) attributable to noncontrolling interests	1.5	(0.1)	—
Net income attributable to Dentsply Sirona	$ 429.9	$ 251.2	$ 322.9
Earnings per common share:			
Basic	$ 1.97	$ 1.79	$ 2.28
Diluted	$ 1.94	$ 1.76	$ 2.24
Weighted average common shares outstanding:			
Basic	218.0	140.0	141.7
Diluted	221.6	142.5	144.2

The accompanying notes are an integral part of these financial statements.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	Year Ended December 31,		
	2016	2015	2014
Net Income	$ 431.4	$ 251.1	$ 322.9
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments	(90.5)	(188.1)	(354.1)
Net (loss) gain on derivative financial instruments	(8.6)	12.1	49.3
Net unrealized holding loss on available-for-sale securities	—	(8.5)	(4.2)
Pension liability adjustments	(13.8)	32.2	(63.7)
Total other comprehensive (loss) income	(112.9)	(152.3)	(372.7)
Total comprehensive income (loss)	318.5	98.8	(49.8)
Less: Comprehensive income (loss) attributable to noncontrolling interests	0.3	0.5	(0.7)
Comprehensive income (loss) attributable to Dentsply Sirona	$ 318.2	$ 98.3	$ (49.1)

The accompanying notes are an integral part of these financial statements.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in millions)

	December 31, 2016	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	$ 383.9	$ 284.6
Accounts and notes receivable-trade, net	636.0	399.9
Inventories, net	517.1	340.4
Prepaid expenses and other current assets	345.6	171.8
Total Current Assets	1,882.6	1,196.7
Property, plant and equipment, net	799.8	558.8
Identifiable intangible assets, net	2,957.6	600.7
Goodwill, net	5,952.0	1,987.6
Other noncurrent assets, net	64.1	59.1
Total Assets	$ 11,656.1	$ 4,402.9
Liabilities and Equity		
Current Liabilities:		
Accounts payable	$ 223.0	$ 133.6
Accrued liabilities	462.7	310.1
Income taxes payable	64.2	20.2
Notes payable and current portion of long-term debt	21.1	12.1
Total Current Liabilities	771.0	476.0
Long-term debt	1,511.1	1,141.0
Deferred income taxes	848.6	160.3
Other noncurrent liabilities	399.5	286.2
Total Liabilities	3,530.2	2,063.5
Commitments and contingencies		
Equity:		
Preferred stock, $1.00 par value; .25 million shares authorized; no shares issued	—	—
Common stock, $.01 par value;	2.6	1.6
400.0 million and 200.0 million shares authorized at December 31, 2016 and 2015, respectively		
264.5 million and 162.8 million shares issued at December 31, 2016 and 2015, respectively		
230.1 million and 140.1 million shares outstanding at December 31, 2016 and 2015, respectively		
Capital in excess of par value	6,516.7	237.8
Retained earnings	3,948.0	3,591.0
Accumulated other comprehensive loss	(705.7)	(594.0)
Treasury stock, at cost, 34.4 million and 22.7 million shares at December 31, 2016 and 2015, respectively	(1,647.3)	(898.4)
Total Dentsply Sirona Equity	8,114.3	2,338.0
Noncontrolling interests	11.6	1.4
Total Equity	8,125.9	2,339.4
Total Liabilities and Equity	$ 11,656.1	$ 4,402.9

The accompanying notes are an integral part of these financial statements.

DENTSPLY SIRONA INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in millions)

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Dentsply Sirona Equity	Noncontrolling Interests	Total Equity
Balance at December 31, 2013	$ 1.6	$ 255.3	$ 3,095.7	$ (69.1)	$ (748.5)	$ 2,535.0	$ 42.9	$ 2,577.9
Net income	—	—	322.9	—	—	322.9	—	322.9
Other comprehensive income	—	—	—	(366.5)	—	(366.5)	(0.7)	(367.2)
Acquisition of noncontrolling interest	—	(42.0)	—	(5.5)	—	(47.5)	(41.3)	(88.8)
Exercise of stock options	—	(9.7)	—	—	58.7	49.0	—	49.0
Tax benefit from stock options exercised	—	2.1	—	—	—	2.1	—	2.1
Stock based compensation expense	—	25.4	—	—	—	25.4	—	25.4
Funding of Employee Stock Ownership Plan	—	1.5	—	—	4.4	5.9	—	5.9
Treasury shares purchased	—	—	—	—	(163.2)	(163.2)	—	(163.2)
RSU distributions	—	(11.2)	—	—	7.0	(4.2)	—	(4.2)
RSU dividends	—	0.3	(0.3)	—	—	—	—	—
Cash dividends ($0.265 per share)	—	—	(37.6)	—	—	(37.6)	—	(37.6)
Balance at December 31, 2014	$ 1.6	$ 221.7	$ 3,380.7	$ (441.1)	$ (841.6)	$ 2,321.3	$ 0.9	$ 2,322.2
Net income	—	—	251.2	—	—	251.2	(0.1)	251.1
Other comprehensive loss	—	—	—	(152.9)	—	(152.9)	0.6	(152.3)
Exercise of stock options	—	(8.2)	—	—	43.4	35.2	—	35.2
Tax benefit from stock options exercised	—	11.6	—	—	—	11.6	—	11.6
Stock based compensation expense	—	25.6	—	—	—	25.6	—	25.6
Funding of Employee Stock Ownership Plan	—	1.1	—	—	3.6	4.7	—	4.7
Treasury shares purchased	—	—	—	—	(112.7)	(112.7)	—	(112.7)
RSU distributions	—	(14.3)	—	—	8.9	(5.4)	—	(5.4)
RSU dividends	—	0.3	(0.3)	—	—	—	—	—
Cash dividends ($0.29 per share)	—	—	(40.6)	—	—	(40.6)	—	(40.6)
Balance at December 31, 2015	$ 1.6	$ 237.8	$ 3,591.0	$ (594.0)	$ (898.4)	$ 2,338.0	$ 1.4	$ 2,339.4
Net income	—	—	429.9	—	—	429.9	1.5	431.4
Other comprehensive loss	—	—	—	(111.7)	—	(111.7)	(1.2)	(112.9)
Acquisition of noncontrolling interest	—	(0.1)	—	—	—	(0.1)	(0.3)	(0.4)
Common stock issuance related to Sirona merger	1.0	6,255.2	—	—	—	6,256.2	10.2	6,266.4
Exercise of stock options	—	(10.8)	—	—	48.1	37.3	—	37.3
Tax benefit from stock options exercised	—	16.1	—	—	—	16.1	—	16.1
Stock based compensation expense	—	41.3	—	—	—	41.3	—	41.3
Funding of Employee Stock Ownership Plan	—	2.1	—	—	4.3	6.4	—	6.4
Treasury shares purchased	—	—	—	—	(815.1)	(815.1)	—	(815.1)
RSU distributions	—	(25.5)	—	—	13.8	(11.7)	—	(11.7)
RSU dividends	—	0.6	(0.6)	—	—	—	—	—
Cash dividends ($0.310 per share)	—	—	(72.3)	—	—	(72.3)	—	(72.3)
Balance at December 31, 2016	$ 2.6	$ 6,516.7	$ 3,948.0	$ (705.7)	$ (1,647.3)	$ 8,114.3	$ 11.6	$ 8,125.9

The accompanying notes are an integral part of these financial statements.

DENTSPLY SIRONA INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	Year Ended December 31,		
	2016	2015	2014
Cash flows from operating activities:			
Net income	$ 431.4	$ 251.1	$ 322.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	116.6	79.1	81.2
Amortization of intangible assets	155.1	43.8	47.9
Amortization of deferred financing costs	4.5	11.3	4.6
Deferred income taxes	(110.1)	27.4	17.5
Stock based compensation expense	41.3	25.6	25.4
Restructuring and other costs - non-cash	9.7	43.3	5.8
Stock option income tax benefit	(12.7)	(11.6)	(2.1)
Equity in earnings from unconsolidated affiliates	—	1.6	0.4
Other non-cash (income) expense	(32.0)	(13.1)	10.0
Loss on disposal of property, plant and equipment	2.8	0.8	0.4
Changes in operating assets and liabilities, net of acquisitions:			
Accounts and notes receivable-trade, net	(75.1)	(0.9)	7.2
Inventories, net	65.4	32.1	21.0
Prepaid expenses and other current assets	(32.4)	(9.5)	(16.1)
Other noncurrent assets	2.6	3.3	4.9
Accounts payable	7.2	8.8	10.0
Accrued liabilities	(12.2)	(4.7)	(12.2)
Income taxes	(7.7)	(8.1)	22.4
Other noncurrent liabilities	9.0	17.1	9.2
Net cash provided by operating activities	563.4	497.4	560.4
Cash flows from investing activities:			
Cash paid for acquisitions of businesses and equity investments	(341.8)	(54.0)	(8.6)
Proceeds from the sale of businesses	6.1	—	6.5
Purchases of short term time deposits	(6.8)	—	(2.3)
Liquidation of short term time deposits	—	—	1.1
Proceeds from redemption of long-term corporate bonds	—	47.7	—
Capital expenditures	(125.0)	(72.0)	(99.6)
Cash assumed in Sirona merger	522.3	—	—
Purchase of company owned life insurance policies	(1.7)	(1.4)	(0.9)
Cash received on derivative contracts	20.1	30.7	67.2
Cash paid on derivative contracts	(17.1)	(6.3)	(96.5)
Expenditures for identifiable intangible assets	(1.1)	—	(6.2)
Proceeds from sale of property, plant and equipment	5.0	0.4	0.6
Net cash provided by (used in) investing activities	60.0	(54.9)	(138.7)
Cash flows from financing activities:			
Proceeds from long-term borrowings, net of deferred financing costs	1,220.6	152.9	114.3
Payments on long-term borrowings	(877.5)	(267.5)	(199.2)
Decrease in short-term borrowings	(44.1)	(2.2)	(101.9)
Proceeds from exercise of stock options	41.0	35.5	49.0
Excess tax benefits from stock based compensation	12.7	11.6	2.1
Cash paid for acquisition of noncontrolling interests of consolidated subsidiaries	(0.4)	(80.5)	—
Cash paid for treasury stock	(813.9)	(112.7)	(163.2)
Cash dividends paid	(64.6)	(40.0)	(37.3)
Net cash used in financing activities	(526.2)	(302.9)	(336.2)
Effect of exchange rate changes on cash and cash equivalents	2.1	(6.6)	(8.9)
Net increase in cash and cash equivalents	99.3	133.0	76.6

Cash and cash equivalents at beginning of period	284.6	151.6	75.0
Cash and cash equivalents at end of period	$ 383.9	$ 284.6	$ 151.6
Schedule of non-cash investing activities:			
Merger financed by common stock	$ 6,256.2	$ —	$ —
Supplemental disclosures of cash flow information:			
Interest paid, net of amounts capitalized	$ 36.7	$ 54.9	$ 47.8
Income taxes paid	$ 112.3	$ 71.4	$ 48.7

The accompanying notes are an integral part of these financial statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Description of Business

DENTSPLY SIRONA Inc. ("Dentsply Sirona" or the "Company"), is the world's largest manufacturer of professional dental products and technologies, with a 130-year history of innovation and service to the dental industry and patients worldwide. Dentsply Sirona develops, manufactures, and markets a comprehensive solutions offering including dental and oral health products as well as other consumable healthcare products under a strong portfolio of world class brands. The Company's principal product categories are dental consumable products, healthcare consumable products and dental technology products. The Company distributes its products in over 120 countries under some of the most well established brand names in the industry.

On February 29, 2016, DENTSPLY International Inc. merged with Sirona Dental Systems, Inc. ("Sirona") to form DENTSPLY SIRONA Inc. (the "Merger"). The Consolidated Statements of Operations for the year ended December 31, 2016 include the results of operations for Sirona for the period February 29, 2016 to December 31, 2016. The accompanying Consolidated Balance Sheets at December 31, 2016 includes Sirona's acquired assets and assumed liabilities. See Note 4, Business Combinations, for additional information about the Merger.

Unless otherwise stated herein, reference throughout this Form 10-K to "Dentsply Sirona", or the "Company" refers to financial information and transactions of DENTSPLY International Inc. ("DENTSPLY") prior to February 29, 2016 and to financial information and transactions of DENTSPLY SIRONA Inc., thereafter.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates, and such differences may be material to the consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company. All significant intercompany accounts and transactions are eliminated in consolidation.

Investments in non-consolidated affiliates (20-50 percent owned companies, joint ventures and partnerships as well as less than 20 percent ownership positions where the Company maintains significant influence over the subsidiary) are accounted for using the equity method.

Cash and Cash Equivalents

Cash and cash equivalents include deposits with banks as well as highly liquid time deposits with maturities at the date of purchase of ninety days or less.

Short-term Investments

Short-term investments are highly liquid time deposits with original maturities at the date of purchase greater than ninety days and with remaining maturities of one year or less.

Accounts and Notes Receivable-Trade

The Company sells dental and certain medical products through a worldwide network of distributors and directly to end users. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company records a provision for doubtful accounts, which is included in Selling, general and administrative expenses in the Consolidated Statements of Operations.

Accounts receivable – trade is stated net of these allowances that were $22.7 million and $10.7 million at December 31, 2016 and 2015, respectively. The December 31, 2016 balance includes $7.4 million related to the Merger and acquisitions during the year. For the years ended December 31, 2016 and 2015, the Company wrote-off $2.5 million and $2.2 million, respectively, of accounts receivable that were previously reserved. The Company increased the provision for doubtful accounts by $9.2 million and $4.3 million during 2016 and 2015, respectively.

Inventories

Inventories are stated at the lower of cost or market. At December 31, 2016 and 2015, the cost of $8.6 million and $8.1 million, respectively, of inventories was determined by the last-in, first-out ("LIFO") method. The cost of other inventories was determined by the first-in, first-out ("FIFO") or average cost methods.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at December 31, 2016 and 2015 by $6.8 million and $6.6 million, respectively.

The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions.

Valuation of Goodwill and Other Long-Lived Assets

Assessment of the potential impairment of goodwill and other long-lived assets is an integral part of the Company's normal ongoing review of operations. Testing for potential impairment of these assets is significantly dependent on assumptions and reflects management's best estimates at a particular point in time. The dynamic economic environments in which the Company's businesses operate and key economic and business assumptions with respect to projected selling prices, increased competition and introductions of new technologies can significantly affect the outcome of impairment tests. Estimates based on these assumptions may differ significantly from actual results. Changes in factors and assumptions used in assessing potential impairments can have a significant impact on the existence and magnitude of impairments, as well as the time at which such impairments are recognized. If there are unfavorable changes in these assumptions, future cash flows, a key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges. Future changes in the environment and the economic outlook for the assets being evaluated could also result in additional impairment charges being recognized. The following information outlines the Company's significant accounting policies on long-lived assets by type.

Goodwill

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired and liabilities assumed in a business combination. Goodwill is not amortized. Goodwill is tested for impairment annually, during the Company's second quarter, or when indications of potential impairment exist. The Company monitors for the existence of potential impairment throughout the year. This impairment assessment includes an evaluation of various reporting units, which is an operating segment or one reporting level below the operating segment. The Company performs impairment tests using a fair value approach. The Company compares the fair value of each reporting unit to its carrying amount to determine if there is potential goodwill impairment. If impairment is identified on goodwill, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill.

The Company's fair value approach involves using a discounted cash flow model with market-based support as its valuation technique to measure the fair value for its reporting units. The discounted cash flow model uses five-year forecasted cash flows plus a terminal value based on a multiple of earnings. In addition, the Company applies gross profit and operating expense assumptions consistent with its historical trends. The total cash flows were discounted based on market participant data, which included the Company's weighted-average cost of capital. The Company considered the current market conditions when determining its assumptions. Lastly, the Company reconciled the aggregate fair values of its reporting units to its market capitalization, which included a reasonable control premium based on market conditions. Additional information related to the testing for goodwill impairment is provided in Note 9 Goodwill and Intangible Assets.

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets consist of tradenames and are not subject to amortization. Valuations of identifiable intangibles assets acquired are based on information and assumptions available at the time of acquisition, using income and market model approaches to determine fair value. In-process research and development assets are not subject to amortization until the product associated with the research and development is substantially complete and is a viable product. At that time, the useful

life to amortize the intangible asset is determined by identifying the period in which substantially all the cash flows are expected to be generated and the asset is moved to definite-lived.

These assets are reviewed for impairment annually or whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable. The Company uses an income approach, more specifically a relief from royalty method. Significant management judgment is necessary to determine key assumptions, including projected revenue, royalty rates and appropriate discount rates. Royalty rates used are consistent with those assumed for the original purchase accounting valuation. Other assumptions are consistent with those applied to goodwill impairment testing. If the carrying value exceeds the fair value, an impairment loss in the amount equal to the excess is recognized.

Identifiable Definite-Lived Intangible Assets

Identifiable definite-lived intangible assets, which primarily consist of patents, trademarks, brand names, non-compete agreements and licensing agreements, are amortized on a straight-line basis over their estimated useful lives. Valuations of identifiable intangibles assets acquired are based on information and assumptions available at the time of acquisition, using income and market model approaches to determine fair value.

These assets are reviewed for impairment whenever events or circumstances suggest that the carrying amount of the asset may not be recoverable. The Company closely monitors all intangible assets including those related to new and existing technologies for indicators of impairment as these assets have more risk of becoming impaired. Impairment is based upon an initial evaluation of the identifiable undiscounted cash flows. If the initial evaluation identifies a potential impairment, a fair value is determined by using a discounted cash flows valuation. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years and machinery and equipment - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. Maintenance and repairs are expensed as incurred to the statement of operations; replacements and major improvements are capitalized. These asset groups are reviewed for impairment whenever events or circumstances suggest that the carrying amount of the asset group may not be recoverable. Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset group's carrying cost over its fair value.

Derivative Financial Instruments

The Company records all derivative instruments on the consolidated balance sheet at fair value and changes in fair value are recorded each period in the consolidated statements of operations or accumulated other comprehensive income ("AOCI"). The Company classifies derivative assets and liabilities as current when the remaining term of the derivative contract is one year or less. The Company has elected to classify the cash flow from derivative instruments in the same category as the cash flows from the items being hedged. Should the Company enter into a derivative instrument that included an other-than-insignificant financing element then all cash flows will be classified as financing activities in the Consolidated Statements of Cash Flows as required by US GAAP.

The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, and assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert floating rate debt to fixed rate.

Pension and Other Postemployment Benefits

Some of the employees of the Company and its subsidiaries are covered by government or Company-sponsored defined benefit plans. Many of the employees have available to them defined contribution plans. Additionally, certain union and salaried employee groups in the United States are covered by postemployment healthcare plans. Costs for Company-sponsored defined benefit and postemployment benefit plans are based on expected return on plan assets, discount rates, employee compensation increase rates and health care cost trends. Expected return on plan assets, discount rates and health care cost trend assumptions are particularly important when determining the Company's benefit obligations and net periodic benefit costs associated with postemployment benefits. Changes in these assumptions can impact the Company's earnings before income taxes. In determining the cost of postemployment benefits, certain assumptions are established annually to reflect market conditions and plan experience to

appropriately reflect the expected costs as actuarially determined. These assumptions include medical inflation trend rates, discount rates, employee turnover and mortality rates. The Company predominantly uses liability durations in establishing its discount rates, which are observed from indices of high-grade corporate bond yields in the respective economic regions of the plans. The expected return on plan assets is the weighted average long-term expected return based upon asset allocations and historic average returns for the markets where the assets are invested, principally in foreign locations. The Company reports the funded status of its defined benefit pension and other postemployment benefit plans on its consolidated balance sheets as a net liability or asset. Additional information related to the impact of changes in these assumptions is provided in Note 15, Benefit Plans.

Accruals for Self-Insured Losses

The Company maintains insurance for certain risks, including workers' compensation, general liability, product liability and vehicle liability, and is self-insured for employee related healthcare benefits. The Company accrues for the expected costs associated with these risks by considering historical claims experience, demographic factors, severity factors and other relevant information. Costs are recognized in the period the claim is incurred, and the financial statement accruals include an estimate of claims incurred but not yet reported. The Company has stop-loss coverage to limit its exposure to any significant exposure on a per claim basis.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are typically in the form of ranges, and the Company records the liabilities at the low point of the ranges, when no other point within the ranges are a better estimate of the probable loss. The ranges established by management are based on analysis made by internal and external legal counsel who considers information known at the time. If the Company determines a liability to be only reasonably possible, it considers the same information to estimate the possible exposure and discloses any material potential liability. These loss contingencies are monitored regularly for a change in fact or circumstance that would require an accrual adjustment. The Company believes it has estimated liabilities for probable losses appropriately in the past; however, the unpredictability of litigation and court decisions could cause a liability to be incurred in excess of estimates. Legal costs related to these lawsuits are expensed as incurred.

Foreign Currency Translation

The functional currency for foreign operations, except for those in highly inflationary economies, generally has been determined to be the local currency.

Assets and liabilities of foreign subsidiaries are translated at foreign exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date foreign exchange rates. The effects of these translation adjustments are reported in Equity within AOCI on the Consolidated Balance Sheets. During the year ended December 31, 2016, the Company had gains of $15.6 million on its loans designated as hedges of net investments and translation losses of $109.4 million. During the year ended December 31, 2015, the Company had gains of $1.7 million on its loans designated as hedges of net investments and translation losses of $187.2 million.

Foreign exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and remeasurement adjustments in countries with highly inflationary economies are included in income. Net foreign exchange transaction gains of $10.2 million and $5.2 million and net foreign exchange transaction losses of $1.3 million in 2016, 2015, and 2014, respectively, are included in Other expense (income), net in the Consolidated Statements of Operations.

Revenue Recognition

Revenue, net of related discounts and allowances, is recognized when the earnings process is complete. This occurs when products are shipped to or received by the customer in accordance with the terms of the agreement, title and risk of loss have been transferred, collectibility is reasonably assured and pricing is fixed or determinable. Net sales include shipping and handling costs collected from customers in connection with the sale. Sales taxes, value added taxes and other similar types of taxes collected from customers in connection with the sale are recorded by the Company on a net basis and are not included in the Consolidated Statement of Operations.

The Company offers discounts to its customers and distributors if certain conditions are met. Discounts are primarily based on the volume of products purchased or targeted to be purchased by the individual customer or distributor. Discounts are deducted from revenue at the time of sale or when the discount is offered, whichever is later. The Company estimates volume discounts

based on the individual customer's historical and estimated future product purchases. Returns of products, excluding warranty related returns, are infrequent and insignificant.

Certain of the Company's customers are offered cash rebates based on targeted sales increases. Estimates of rebates are based on the forecasted performance of the customer and their expected level of achievement within the rebate programs. In accounting for these rebate programs, the Company records an accrual as a reduction of net sales as sales take place over the period the rebate is earned. The Company updates the accruals for these rebate programs as actual results and updated forecasts impact the estimated achievement for customers within the rebate programs.

A portion of the Company's net sales is comprised of sales of precious metals generated through its precious metal dental alloy product offerings. As the precious metal content of the Company's sales is largely a pass-through to customers, the Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal alloy sale prices are typically adjusted when the prices of underlying precious metals change. The precious metals content of sales was $64.3 million, $92.8 million and $129.9 million for 2016, 2015 and 2014, respectively.

Revenue Recognition related to Multiple Deliverables

Sales revenue arrangements can consist of multiple deliverables of its product and service offerings. Additionally, certain products offerings, primarily dental technology products, may contain embedded software that functions together with the product to deliver the product's essential functionality. Amounts received from customers in advance of product shipment are classified as deferred income until the revenue can be recognized in accordance with the Company's revenue recognition policy.

- *Services:* Service revenue is generally recognized ratably over the contract term as the specified services are performed. Amounts received from customers in advance of rendering of services are classified as deferred income until the revenue can be recognized upon rendering of those services.

- *Extended Warranties:* The Company offers its customers an option to purchase extended warranties on certain products. The Company recognizes revenue on these extended warranty contracts ratably over the life of the contract. The costs associated with these extended warranty contracts are recognized when incurred.

- *Multiple-Element Arrangements*: Arrangements with customers may include multiple deliverables, including any combination of equipment, services and extended warranties. The deliverables included in the Company's multiple-element arrangements are separated into more than one unit of accounting when (i) the delivered equipment has value to the customer on a stand-alone basis, and (ii) delivery of the undelivered service element(s) is probable and substantially in the control of the Company. Arrangement consideration is then allocated to each unit, delivered or undelivered, based on the relative selling price of each unit of accounting based first on vendor-specific objective evidence, if it exists, and then based on estimated selling price.

- *Vendor-specific objective:* In most instances, products are sold separately in stand-alone arrangements. Services are also sold separately through renewals of contracts with varying periods. The Company determines vendor-specific objective based on its pricing and discounting practices for the specific product or service when sold separately, considering geographical, customer, and other economic or marketing variables, as well as renewal rates or stand-alone prices for the service element(s).

- *Estimated Selling Price:* Represents the price at which the Company would sell a product or service if it were sold on a stand-alone basis. When vendor-specific objective evidence does not exist for all elements, the Company determines estimated selling price for the arrangement element based on sales, cost and margin analysis, as well as other inputs based on its pricing practices. Adjustments for other market and Company-specific factors are made as deemed necessary in determining estimated selling price.

After separating the elements into their specific units of accounting, total arrangement consideration is allocated to each unit of accounting according to the nature of the revenue as described above and application of the relative selling price method. Total recognized revenue is limited to the amount not contingent upon future transactions.

Cost of Products Sold

Cost of products sold represents costs directly related to the manufacture and distribution of the Company's products. Primary costs include raw materials, packaging, direct labor, overhead, shipping and handling, warehousing and the depreciation of manufacturing, warehousing and distribution facilities. Overhead and related expenses include salaries, wages, employee benefits, utilities, lease costs, maintenance and property taxes.

Warranties

The Company provides warranties on certain equipment products. Estimated warranty costs are accrued when sales are made to customers. Estimates for warranty costs are based primarily on historical warranty claim experience. Warranty costs are included in Cost of products sold in the Consolidated Statements of Operations. During 2016, the Company's warranty expense and accrual increased as a result of the Merger. The following table presents the Company's warranty expense and warranty accrual at December 31:

(in millions)	December 31, 2016	2015	2014
Warranty Expense	$ 25.2	$ 6.0	$ 6.0
Warranty Accrual	11.2	3.8	4.0

Selling, General and Administrative Expenses

Selling, general and administrative expenses represent costs incurred in generating revenues and in managing the business of the Company. Such costs include advertising and other marketing expenses, salaries, employee benefits, incentive compensation, research and development, travel, office expenses, lease costs, amortization of capitalized software and depreciation of administrative facilities. Advertising cost are expensed as incurred.

Research and Development Costs

Research and development ("R&D") costs relate primarily to internal costs for salaries and direct overhead expenses. In addition, the Company contracts with outside vendors to conduct R&D activities. All such R&D costs are charged to expense when incurred. The Company capitalizes the costs of equipment that have general R&D uses and expenses such equipment that is solely for specific R&D projects. The depreciation expense related to this capitalized equipment is included in the Company's R&D costs. Software development costs incurred prior to the attainment of technological feasibility are considered R&D and are expensed as incurred. Once technological feasibility is established, software development costs are capitalized until the product is available for general release to customers. Amortization of these costs are included in Cost of products sold over the estimated life of the products. R&D costs are included in Selling, general and administrative expenses in the Consolidated Statements of Operations and amounted to $128.5 million, $74.9 million and $80.8 million for 2016, 2015 and 2014, respectively.

Stock Compensation

The Company recognizes the compensation cost relating to stock-based payment transactions in the financial statements. The cost of stock-based payment transactions is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity awards). The compensation cost is only recognized for the portion of the awards that are expected to vest.

Income Taxes

The Company's tax expense includes U.S. and international income taxes plus the provision for U.S. taxes on undistributed earnings of international subsidiaries not deemed to be permanently invested. Tax credits and other incentives reduce tax expense in the year the credits are claimed. Certain items of income and expense are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are recognized if it is more likely than not that the assets will be realized in future years. The Company establishes a valuation allowance for deferred tax assets for which realization is not likely.

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

Earnings Per Share

Basic earnings per share are calculated by dividing net earnings by the weighted average number of shares outstanding for the period. Diluted earnings per share is calculated by dividing net earnings by the weighted average number of shares outstanding for the period, adjusted for the effect of an assumed exercise of all dilutive options outstanding at the end of the period.

Business Acquisitions

The Company acquires businesses as well as partial interests in businesses. Acquired businesses are accounted for using the acquisition method of accounting which requires the Company to record assets acquired and liabilities assumed at their respective fair values with the excess of the purchase price over estimated fair values recorded as goodwill. The assumptions made in determining the fair value of acquired assets and assumed liabilities as well as asset lives can materially impact the results of operations.

The Company obtains information during due diligence and through other sources to establish respective fair values. Examples of factors and information that the Company uses to determine the fair values include: tangible and intangible asset evaluations and appraisals; evaluations of existing contingencies and liabilities and product line information. If the initial valuation for an acquisition is incomplete by the end of the quarter in which the acquisition occurred, the Company will record a provisional estimate in the financial statements. The provisional estimate will be finalized as soon as information becomes available, but will only occur up to one year from the acquisition date.

Noncontrolling Interests

The Company reports noncontrolling interest (“NCI”) in a subsidiary as a separate component of Equity in the Consolidated Balance Sheets. Additionally, the Company reports the portion of net income (loss) and comprehensive income (loss) attributed to the Company and NCI separately in the Consolidated Statements of Operations. The Company also includes a separate column for NCI in the Consolidated Statements of Changes in Equity.

Segment Reporting

The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market and to a lesser extent the consumable medical device market. Professional dental products and equipment represented approximately 92%, 88% and 88% of sales for each of the years ended 2016, 2015 and 2014, respectively. The Company has two reportable segments and a description of the activities within these segments is included in Note 5, Segment and Geographic Information.

Fair Value Measurement

Recurring Basis

The Company records certain financial assets and liabilities at fair value in accordance with the accounting guidance, which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The accounting guidance establishes a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring financial instruments at fair value. The three broad levels defined by the fair value hierarchy are as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable reported date. The nature of these financial instruments include, derivative instruments whose fair value have been derived using a model where inputs to the model are directly observable in the market, or can be derived principally from, or corroborated by observable market data.

Level 3 - Instruments that have little to no pricing observability as of the reported date. These financial instruments do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

The degree of judgment utilized in measuring the fair value of certain financial assets and liabilities generally correlates to the level of pricing observability. Pricing observability is impacted by a number of factors, including the type of financial instrument. Financial assets and liabilities with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of pricing observability and a lesser degree of judgment utilized in measuring fair value. Conversely, financial assets and liabilities rarely traded or not quoted will generally have less, or no pricing observability and a higher degree of judgment utilized in measuring fair value.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Additionally, the Company considers its credit risks and its counterparties' credit risks when determining the fair values of its financial assets and liabilities. The Company has presented the required disclosures in Note 18, Fair Value Measurement.

Non-Recurring Basis

When events or circumstances require an asset or liability to be fair valued that otherwise is generally recorded based on another valuation method, such as, net realizable value, the Company will utilize the valuation techniques described above.

Reclassification of Prior Years Amounts

Certain reclassifications have been made to prior year's data in order to conform to current year presentation. Specifically, during the first quarter of 2016, the Company realigned reporting responsibilities for multiple locations as a result of changes to the management reporting structure.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" that seeks to provide a single, comprehensive revenue recognition model for all contracts with customers that improve comparability within industries, across industries and across capital markets. Under this standard, an entity should recognize revenue for the transfer of goods or services equal to the amount it expects to be entitled to receive for those goods or services. Enhanced disclosure requirements regarding the nature, timing and uncertainty of revenue and related cash flows exist. To assist entities in applying the standard, a five step model for recognizing and measuring revenue from contracts with customers has been introduced. Entities have the option to apply the new guidance retrospectively to each prior reporting period presented (full retrospective approach) or retrospectively with a cumulative effect adjustment to retained earnings for initial application of the guidance at the date of initial adoption (modified retrospective method). On July 9, 2015, the FASB issued ASU No. 2015-14, deferring the effective date by one year to annual reporting periods beginning after December 15, 2017. Early adoption is permitted. In April 2016, the FASB issued ASU No. 2016-10, which clarifies the "identifying performance obligations and licensing implementations guidance" aspects of Topic 606. In May 2016, the FASB issued ASU No. 2016-11, which amends and or rescinds certain aspects of the Accounting Standards Codification ("ASC") to reflect the requirements under Topic 606. Additionally, the FASB issued ASU No. 2016-12, which clarifies the criteria for assessing collectibility, permits an entity to elect an accounting policy to exclude from the transaction price amounts collected from customers for all sales taxes, and provides a practical expedient that permits an entity to reflect the aggregate effect of all contract modifications that occur before the beginning of the earliest period presented in accordance with Topic 606. In December 2016, the FASB issued ASU No. 2016-20, which clarifies several additional aspects of Topic 606 including contract modifications and performance obligations. The Company will adopt these accounting standards on January 1, 2018. The Company has completed its analysis of revenue areas that will be impacted by the adoption of this standard. The primary areas affected are the Company's promotional and customer loyalty programs. The Company is currently gathering and assessing the financial impact this will have on the financial position, results of operations, cash flows and disclosures. The Company is also in the process of implementing changes to systems, processes and internal controls to meet the standard update to reporting and disclosure requirements. The Company has not made a decision on the transition method of adoption.

In January 2015, the FASB issued ASU No. 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items". This newly issued accounting standard eliminates from generally accepted accounting principles the concept of Extraordinary items, events or transactions that are unusual in nature and occur infrequently. The amendments in this update are effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015. The Company

adopted this accounting standard in the quarter ended March 31, 2016. The adoption of this standard did not materially impact the Company's financial position or results of operations.

In July 2015, the FASB issued ASU No. 2015-11, "Simplifying the Measurement of Inventory." This newly issued accounting standard requires that an entity measure inventory at the lower of cost or net realizable value, as opposed to the lower of cost or market value. Net realizable value is defined as the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Excluded from this update are the Last In First Out ("LIFO") and retail inventory methods of accounting for inventory. The amendments in this standard are effective for fiscal years beginning after December 15, 2016 and for interim periods within fiscal years beginning after December 15, 2017. Prospective application is required for presentation purposes. The adoption of this standard did not materially impact the Company's financial position or results of operations.

In September 2015, the FASB issued ASU No. 2015-16, "Simplifying Accounting for Measurement Period Adjustments." This accounting standard seeks to simplify the accounting related to business combinations. Current US GAAP requires retrospective adjustment for provisional amounts recognized during the measurement periods when facts and circumstances that existed at the measurement date, if known, would have affected the measurement of the accounts initially recognized. This standard eliminates the requirement for retrospective adjustments and requires adjustments to the Financial Statements as needed in current period earnings for the full effect of changes. The Company adopted this accounting standard for the quarter ended March 31, 2016. The adoption of this standard did not materially impact the Company's financial position or results of operations.

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes." This accounting standard seeks to simplify the accounting related to deferred income taxes. Current US GAAP requires an entity to separate deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") into current and noncurrent amounts for each tax jurisdiction based on the classification of the related asset or liability for financial reporting. DTAs and DTLs not related to assets and liabilities for financial reporting are classified based on the expected reversal date. The new standard requires DTAs or DTLs for each tax jurisdictions to be classified as noncurrent in a classified statement of financial position. The adoption of this standard is required for interim and fiscal periods ending after December 15, 2016 and is permitted to be adopted prospectively or retrospectively. The adoption of this standard is not expected to materially impact the Company's financial position and disclosures.

In January 2016, the FASB issued ASU No. 2016-01, "Recognition and Measurement of Financial Assets and Financial Liabilities." This newly issued accounting standard seeks to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information as well as to improve and achieve convergence of the FASB and International Accounting Standards Board ("IASB") standards on the accounting for financial instruments. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value either upon the occurrence of an observable price change or upon identification of an impairment. It also requires enhanced disclosures about those investments and reduces the number of items that are recognized in other comprehensive income. The adoption of this standard is required for interim and fiscal periods ending after December 15, 2017 and should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The Company is currently assessing the impact that this standard may have on its financial position, results of operations, cash flows and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases." This newly issued accounting standard seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the balance sheet and disclosing key information about leasing arrangements. Current US GAAP does not require lessees to recognize assets and liabilities arising from operating leases in the balance sheet. This standard also provides guidance from the lessees prospective on how to determine if a lease is an operating lease or a financing lease and the differences in accounting for each. The adoption of this standard is required for interim and fiscal periods ending after December 15, 2018 and it is required to be applied retrospectively using the modified retrospective approach. Early adoption is permitted. The Company is currently assessing the impact that this standard will have on its financial position, results of operations, cash flows and disclosures.

In March 2016, the FASB issued ASU No. 2016-09, "Stock Compensation." This newly issued accounting standard seeks to simplify the accounting for all entities that issue stock-based payment awards to their employees. The primary areas of change include accounting for income taxes, cash flow statement classification of excess tax benefits and employee taxes paid when an employer withholds shares, accounting for forfeitures and tax withholding requirements. The adoption of this standard is required for interim and fiscal periods ending after December 15, 2016. Early adoption is permitted. Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements and forfeitures should be applied using a modified retrospective transition method by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is adopted. Amendments related to the presentation of employee taxes paid in the statement of cash flows when an employer withholds shares to meet the minimum statutory withholding requirement should be applied retrospectively. Amendments requiring recognition of excess tax benefits and tax deficiencies in the income statement should be applied

prospectively. The adoption of this standard is not expected to materially impact the Company's financial position, results of operations, cash flows and disclosures.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows." This newly issued accounting standard seeks to clarify the presentation of eight specific cash flow issues in order to reduce diversity in practice. The topics of clarification include debt prepayment or extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, proceeds from the settlement of corporate-owned life insurance policies, distributions received from equity method investees, beneficial interest in securitization transactions, and separately identifiable cash flows. The amendments in this update are effective for interim and fiscal periods beginning after December 15, 2017. Early adoption is permitted. The amendments in this update should be applied using a retrospective transition method to each period presented. The Company is currently assessing the impact that this standard will have on the presentation of its Consolidated Statements of Cash Flows.

In October 2016, the FASB issued ASU No. 2016-16, "Income Taxes." This newly issued accounting standard seeks to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Current US GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to a third party, which is an exception to the principle of comprehensive recognition of current and deferred income taxes in US GAAP. ASU No. 2016-16 eliminates this exception. The amendments in this update are effective for interim and fiscal periods beginning after December 15, 2017. Early adoption is permitted. The amendments in this update should be applied using a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company is currently assessing the impact that this standard will have on its financial position, results of operations, cash flows and disclosures.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations." This newly issued accounting standard clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisition or disposal of assets or businesses. The amendments in this update provide a screen to determine when a set of assets is not a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the set of assets is not a business. The amendments in this update are effective for interim and fiscal periods beginning after December 15, 2017. Early adoption is permitted under certain conditions. The amendments in this update should be applied prospectively. The Company is currently assessing the impact that this standard will on its financial position, results of operations, cash flows and disclosures.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles, Goodwill and Other." This newly issued accounting standard seeks to simplify the subsequent measurement of goodwill by eliminating step 2 of the goodwill impairment test which requires business to perform procedures to determine the fair value of its assets and liabilities at the impairment testing date. Under this amendment, an entity should perform its goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. The loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. Additionally, an entity should consider income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit when measuring the goodwill impairment loss, if applicable. The amendments in this update are required for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019. Early adoption is permitted for interim or annual goodwill impairment test performed on testing dates after January 1, 2017. The amendments in this update should be applied prospectively. The Company is currently assessing the impact that this standard will have on its financial position, results of operations and disclosures.

NOTE 2 - EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share:

(in millions, except for per share amounts)	Net income attributable to Dentsply Sirona	Shares	Earnings per common share
Year Ended December 31, 2016			
Basic	429.9	218.0	$ 1.97
Incremental shares from assumed exercise of dilutive options and RSUs		3.6	
Diluted	429.9	221.6	$ 1.94
Year Ended December 31, 2015			
Basic	251.2	140.0	$ 1.79
Incremental shares from assumed exercise of dilutive options and RSUs		2.5	
Diluted	251.2	142.5	$ 1.76
Year Ended December 31, 2014			
Basic	322.9	141.7	$ 2.28
Incremental shares from assumed exercise of dilutive options and RSUs		2.5	
Diluted	322.9	144.2	$ 2.24

The calculation of weighted average diluted shares outstanding excludes stock options and restricted stock units ("RSUs") of 0.6 million, 0.9 million and 1.0 million shares of common stock that were outstanding during the years ended 2016, 2015 and 2014, respectively, from the computation of diluted earnings per common share since their effect would be antidilutive.

NOTE 3 - COMPREHENSIVE INCOME

AOCI includes foreign currency translation adjustments related to the Company's foreign subsidiaries, net of the related changes in certain financial instruments hedging these foreign currency investments. In addition, changes in the Company's fair value of certain derivative financial instruments, pension liability adjustments and prior service costs, net are recorded in AOCI. These changes are recorded in AOCI net of any related tax adjustments. For the years ended December 31, 2016, 2015 and 2014, these tax adjustments were $166.4 million, $169.3 million and $195.4 million, respectively, primarily related to foreign currency translation adjustments.

The cumulative foreign currency translation adjustments included translation losses of $412.4 million and $307.5 million at December 31, 2016 and 2015, respectively, and which included losses of $78.1 million and $93.7 million, respectively, on loans designated as hedges of net investments.

Changes in AOCI by component for the years ended December 31, 2016, 2015 and 2014:

(in millions)	Foreign Currency Translation Gain (Loss)	Gain and (Loss) on Derivative Financial Instruments Designated as Cash Flow Hedges	Gain and (Loss) on Derivative Financial Instruments	Pension Liability Gain (Loss)	Total
Balance, net of tax, at December 31, 2015	$ (401.2)	$ (1.2)	$ (110.2)	$ (81.4)	$ (594.0)
Other comprehensive (loss) income before reclassifications and tax impact	(71.4)	(0.8)	(13.2)	(25.4)	(110.8)
Tax (expense) benefit	(17.9)	0.5	6.6	7.9	(2.9)
Other comprehensive (loss) income, net of tax, before reclassifications	(89.3)	(0.3)	(6.6)	(17.5)	(113.7)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	—	(1.7)	—	3.7	2.0
Net (decrease) increase in other comprehensive income	(89.3)	(2.0)	(6.6)	(13.8)	(111.7)
Balance, net of tax, at December 31, 2016	$ (490.5)	$ (3.2)	$ (116.8)	$ (95.2)	$ (705.7)

(in millions)	Foreign Currency Translation Gain (Loss)	Gain and (Loss) on Derivative Financial Instruments Designated as Cash Flow Hedges	Gain and (Loss) on Derivative Financial Instruments	Net Unrealized Holding Gain (Loss) on Available-for-Sale Securities	Pension Liability Gain (Loss)	Total
Balance, net of tax, at December 31, 2014	$ (212.5)	$ (10.8)	$ (112.7)	$ 8.5	$ (113.6)	$ (441.1)
Other comprehensive (loss) income before reclassifications and tax impact	(178.0)	22.1	4.5	(6.8)	39.9	(118.3)
Tax (expense) benefit	(9.5)	(3.3)	(2.0)	2.0	(13.3)	(26.1)
Other comprehensive income (loss), net of tax, before reclassifications	(187.5)	18.8	2.5	(4.8)	26.6	(144.4)
Amounts reclassified from accumulated other comprehensive income (loss), net of tax	(1.2)	(9.2)	—	(3.7)	5.6	(8.5)
Net (decrease) increase in other comprehensive income	(188.7)	9.6	2.5	(8.5)	32.2	(152.9)
Balance, net of tax, at December 31, 2015	$ (401.2)	$ (1.2)	$ (110.2)	$ —	$ (81.4)	$ (594.0)

Reclassification out of accumulated other comprehensive income (loss) for the years ended December 31, 2016, 2015 and 2014:

(in millions)

Details about AOCI Components	Amounts Reclassified from AOCI Year Ended December, 31 2016	2015	2014	Affected Line Item in the Statements of Operations
Realized foreign currency gain on liquidation of foreign subsidiary:				
Foreign currency translation adjustment	$ —	$ 1.2	$ —	Other expense (income), net
Gains and (loss) on derivative financial instruments:				
Interest rate swaps	$ (2.9)	$ (10.1)	$ (3.7)	Interest expense
Foreign exchange forward contracts	4.8	18.0	(6.4)	Cost of products sold
Foreign exchange forward contracts	0.1	0.6	(0.1)	SG&A expenses
Commodity contracts	(0.1)	(0.5)	(0.5)	Cost of products sold
Net gain (loss) before tax	1.9	8.0	(10.7)	
Tax impact	(0.2)	1.2	3.7	Provision for income taxes
Net gain (loss) after tax	$ 1.7	$ 9.2	$ (7.0)	
Realized gain on available-for-sale securities:				
Available -for-sale-securities	$ —	$ 5.1	$ —	Other expense (income), net
Tax impact	—	(1.4)	—	Provision for income taxes
Net gain after tax	$ —	$ 3.7	$ —	
Amortization of defined benefit pension and other postemployment benefit items:				
Amortization of prior service benefits	$ 0.2	$ 0.2	$ 0.1	(a)
Amortization of net actuarial losses	(5.3)	(8.0)	(2.9)	(a)
Net loss before tax	(5.1)	(7.8)	(2.8)	
Tax impact	1.4	2.2	1.0	Provision for income taxes
Net loss after tax	$ (3.7)	$ (5.6)	$ (1.8)	
Total reclassifications for the period	$ (2.0)	$ 8.5	$ (8.8)	

(a) These accumulated other comprehensive income components are included in the computation of net periodic benefit cost for the years ended December 31, 2016, 2015, and 2014, respectively (see Note 15, Benefit Plans, for additional details).

NOTE 4 - BUSINESS COMBINATIONS

Business Combinations

2016 Transactions

On February 29, 2016, DENTSPLY merged with Sirona in an all-stock transaction and the registrant was renamed DENTSPLY SIRONA Inc. and the common stock continues to trade on the NASDAQ under the ticker “XRAY”. In connection with the Merger, each former share of Sirona common stock issued and outstanding immediately prior to February 29, 2016, was converted to 1.8142 shares of DENTSPLY common stock. The Company issued approximately 101.8 million shares of DENTSPLY common stock to former shareholders of Sirona common stock, representing approximately 42% of the approximately 242.2 million total shares of DENTSPLY common stock outstanding on the Merger date.

DENTSPLY was determined to be the accounting acquirer. In this all-stock transaction, only DENTSPLY common stock was transferred and DENTSPLY shareholders received approximately 58% of the voting interest of the combined company, and the Sirona shareholders received approximately 42% of the voting interest. Additional indicators included the combined company’s eleven Board of Directors which includes six members of the former DENTSPLY board, and five members of the former Sirona

board, as well as DENTSPLY's financial size.

The Merger combines leading platforms in consumables, equipment, and technologies which creates complimentary end to end solutions to meet customer needs and improve patient care. The combined company is positioned to capitalize on key industry trends to drive growth, including accelerating adoption of digital dentistry.

The following table summarizes the consideration transferred:

(in millions, except per share amount)*		
Sirona common stock outstanding at February 29, 2016	56.1	
Exchange ratio	1.8142	
DENTSPLY common stock issued for consideration	101.8	
DENTSPLY common stock per share price at February 26, 2016	$ 60.67	
Fair value of DENTSPLY common stock issued to Sirona shareholders		$ 6,173.8
Fair value of vested portion of Sirona stock-based awards outstanding - 1.5 million at February 29, 2016		82.4
Total acquisition consideration		$ 6,256.2

*Table may not foot due to rounding

The Merger was recorded in accordance with US GAAP pursuant to the provisions of ASC Topic 805, Business Combinations. The Company has performed a preliminary valuation analysis of identifiable assets acquired and liabilities assumed and allocated the consideration based on the preliminary fair values of those identifiable assets acquired and liabilities assumed, but there may be material changes as the valuation is finalized. In addition, completion of the valuation may impact the assessment of the net deferred tax liability currently recognized with any adjustment resulting in a corresponding change to goodwill. The amount of these potential adjustments could be significant.

The following table summarizes the preliminary fair value of identifiable assets acquired and liabilities assumed at the date of the Merger:

(in millions)	
Cash and cash equivalents	$ 522.3
Trade receivables	143.0
Inventory	220.7
Prepaid expenses and other current assets	111.1
Property, plant and equipment	237.1
Identifiable intangible assets	2,435.0
Goodwill	3,776.8
Other long-term assets	10.7
Total assets	7,456.7
Accounts payable	68.0
Other current liabilities	197.9
Debt	57.5
Deferred income taxes	771.6
Other long-term liabilities	95.3
Total liabilities	1,190.3
Noncontrolling interest	10.2
Total identifiable net assets	$ 6,256.2

Inventory held by Sirona included a fair value adjustment of $72.0 million. The Company expensed this amount through June 30, 2016 as the acquired inventory was sold.

Property, plant and equipment includes a fair value adjustment of $33.6 million, and consists of land, buildings, plant and equipment. Depreciable lives range from 25 to 50 years for buildings and from 3 to 10 years for plant and equipment.

Deferred income for service contracts previously recorded by Sirona now includes a fair value adjustment which reduced other current liabilities by $17.3 million. The consequence is that this amount cannot be recognized as revenue under US GAAP.

Weighted average useful lives for intangible assets were determined based upon the useful economic lives of the intangible assets that are expected to contribute to future cash flows. The acquired definite-lived intangible assets are being amortized on a straight-line basis over their expected useful lives. Intangible assets acquired consist of the following:

(in millions, except for useful life)	Amount	Weighted Average Useful Life (in years)
Customer relationships	$ 495.0	14
Developed technology and patents	1,035.0	12
Trade names and trademarks	905.0	Indefinite
Total	$ 2,435.0	

The fair values assigned to intangible assets were determined through the use of the income approach, specifically the relief from royalty method was used to fair value the developed technology and patents and tradenames and trademarks and the multi-period excess earnings method was used to fair value customer relationships. Both valuation methods rely on management's judgments, including expected future cash flows resulting from existing customer relationships, customer attrition rates, contributory effects of other assets utilized in the business, peer group cost of capital and royalty rates as well as other factors. The valuation of tangible assets was derived using a combination of the income approach, the market approach and the cost approach. Significant judgments used in valuing tangible assets include estimated reproduction or replacement cost, weighted average useful lives of assets, estimated selling prices, costs to complete and reasonable profit.

The $3,776.8 million of goodwill is attributable to the excess of the purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed. Goodwill is considered to represent the value associated with workforce and synergies the two companies anticipate realizing as a combined company. Goodwill of $3,663.5 million has been assigned to the Company's Technologies segment and $113.3 million has been assigned to the Company's Dental and Healthcare Consumables segment. The goodwill is not expected to be deductible for tax purposes.

Sirona contributed net sales of $1,039.9 million and operating income of $227.2 million to the Company's Consolidated Statements of Operations during the period from February 29, 2016 to December 31, 2016 which is primarily included in the Technologies segment.

The following unaudited pro forma financial information reflects the consolidated results of operations of the Company had the Merger occurred on January 1, 2015. Sirona's financial information has been compiled in a manner consistent with the accounting policies adopted by DENTSPLY. The following unaudited pro forma financial information for the year ended December 31, 2016 and 2015, has been prepared for comparative purposes and does not purport to be indicative of what would have occurred had the Merger occurred on January 1, 2015, nor is it indicative of any future results.

	Pro forma - unaudited	
	Year Ended	
(in millions, except per share amount)	2016	2015
Net sales	$ 3,916.0	$ 3,830.0
Net income attributable to Dentsply Sirona	$ 437.0	$ 388.5
Diluted earnings per common share	$ 1.85	$ 1.58

The pro forma financial information is based on the Company's preliminary assignment of consideration given and therefore subject to adjustment. These pro forma amounts were calculated after applying the Company's accounting policies and adjusting Sirona's results to reflect adjustments that are directly attributable to the Merger. These adjustments mainly include additional intangible asset amortization, depreciation, inventory fair value adjustments, transaction costs and taxes that would have been charged assuming the fair value adjustments had been applied from January 1, 2015, together with the consequential tax effects at the statutory rate. Pro forma results do not include any anticipated synergies or other benefits of the Merger.

For the year ended December 31, 2016, in connection with the Merger, the Company has incurred $29.9 million of transaction related costs, primarily amounts paid to third party advisers, legal and banking fees, which are included in Selling, general and administrative expenses in the Consolidated Statements of Operations.

In September 2016, the Company finalized the acquisitions of MIS Implants Technologies Ltd., a dental implant systems manufacturer headquartered in northern Israel and a small acquisition of a healthcare consumable business. Total purchase price related to these two acquisitions was $341.4 million, net of cash acquired of $61.4 million, and is subject to final purchase price adjustments. At December 31, 2016, the Company recorded a preliminary estimate of $206.4 million in goodwill related to the difference between the fair value of assets acquired and liabilities assumed and the consideration given for the acquisitions. Intangible assets acquired consist of the following:

(in millions, except for useful life)	Amount	Weighted Average Useful Life (in years)
Customer relationships	$ 91.3	15
Developed technology and patents	37.4	15
Trade names and trademarks	25.3	Indefinite
Total	$ 154.0	

The results of operations for these businesses have been included in the accompanying financial statements as of the effective date of the respective transactions. The purchase prices have been assigned on the basis of preliminary estimates of the fair values of assets acquired and liabilities assumed. These transactions were not material to the Company's net sales and net income attributable to Dentsply Sirona for the year ended December 31, 2016.

2015 Transactions

In October 2015, the Company purchased a South American-based manufacturer of dental laboratory products for $51.1 million. The Company recorded $31.3 million of goodwill related to the difference between the fair value of assets acquired and liabilities assumed and the consideration given for the acquisitions. The results of operations for this business have been included in the accompanying financial statements as of the effective date of the respective transactions. This transaction was immaterial to the Company's net sales and net income attributable to Dentsply Sirona.

2014 Transactions

On January 1, 2014, the Company recorded a liability for the contractual purchase of the remaining shares of one noncontrolling interest. The Company paid $80.4 million to settle this obligation during the first quarter of 2015.

In addition during 2014, the Company had one acquisition and divestitures of two non-core product lines. These transactions were immaterial to the Company's net sales and net income attributable to Dentsply Sirona.

Investment in Affiliates

On December 9, 2010, the Company purchased an initial ownership interest of 17% of the outstanding shares of DIO Corporation ("DIO"). In addition, on December 9, 2010, the Company invested $49.7 million in the corporate convertible bonds of DIO, which were permitted to be converted into common shares at any time. The bonds were designated by the Company as available-for-sale securities which are reported in, Prepaid expenses and other current assets, in the Consolidated Balance Sheets at December 31, 2014 and the changes in fair value were reported in AOCI. The contractual maturity of the bonds was December 2015. The Company had recorded the ownership in DIO under the equity method of accounting as it had significant influence over DIO.

In September 2015, the Company sold the bonds at face value. The Company recorded an unrealized holding loss, net of tax, of $4.8 million for the year ended December 31, 2015, in the Consolidated Statements of Comprehensive Income. As a result of sale of the bonds, the Company recorded $3.7 million, net of tax, of realized foreign currency gains in Other expense (income), net, in the Consolidated Statements of Operations for the year ended December 31, 2015. The fair value of the DIO bonds was $57.7 million at December 31, 2014 and a cumulative unrealized holding gain of $8.5 million was recorded in available-for-sale securities, net of tax in AOCI.

At December 31, 2015, the Company no longer has representation on the DIO Board of Directors and as a result the Company no longer has significant influence on the operations of DIO. In addition, the buyers of the convertible bonds exercised the conversion rights which resulted in DIO issuing additional shares and diluting the Company's ownership position to 13%. As a result of these changes the Company now uses the cost-basis method of accounting for the remaining direct investment. The book value of the Company's direct investment in DIO is $8.2 million and $8.5 million at December 31, 2016 and 2015, respectively, and is included in "Other noncurrent assets, net," in the Consolidated Balance Sheet. At December 31, 2016 and 2015, the fair value of the direct investment is $63.4 million and $49.3 million, respectively.

NOTE 5 - SEGMENT AND GEOGRAPHIC INFORMATION

The operating businesses are combined into two operating groups, which generally have overlapping geographical presence, customer bases, distribution channels, and regulatory oversight. These operating groups are considered the Company's reportable segments as the Company's chief operating decision-maker regularly reviews financial results at the operating group level and uses this information to manage the Company's operations. The Company evaluates performance of the segments based on the groups' net third party sales, excluding precious metal content, and segment adjusted operating income. The Company defines net third party sales excluding precious metal content as the Company's net sales excluding the precious metal cost within the products sold, which is considered a measure not calculated in accordance with US GAAP, and is therefore considered a non-US GAAP measure. Management believes that the presentation of net sales, excluding precious metal content, provides useful information to investors because a portion of Dentsply Sirona's net sales is comprised of sales of precious metals generated through sales of the Company's precious metal dental alloy products, which are used by third parties to construct crown and bridge materials. Due to the fluctuations of precious metal prices and because the cost of the precious metal content of the Company's sales is largely passed through to customers and has minimal effect on earnings, Dentsply Sirona reports net sales both with and without precious metal content to show the Company's performance independent of precious metal price volatility and to enhance comparability of performance between periods. The Company uses its cost of precious metal purchased as a proxy for the precious metal content of sales, as the precious metal content of sales is not separately tracked and invoiced to customers. The Company believes that it is reasonable to use the cost of precious metal content purchased in this manner since precious metal dental alloy sale prices are typically adjusted when the prices of underlying precious metals change. The Company's exclusion of precious metal content in the measurement of net third party sales enhances comparability of performance between periods as it excludes the fluctuating market prices of the precious metal content. The Company also evaluates segment performance based on each segment's adjusted operating income before provision for income taxes and interest. Segment adjusted operating income is defined as operating income before income taxes and before certain corporate headquarter unallocated costs, restructuring and other costs, interest expense, interest income, other expense (income), net, amortization of intangible assets and depreciation resulting from the fair value step-up of property, plant and equipment from acquisitions. The Company's segment adjusted operating income is considered a non-US GAAP measure. A description of the products and services provided within each of the Company's two operating segments is provided below.

During the March 31, 2016 quarter, the Company realigned reporting responsibilities as a result of the Merger and changed the management structure. The segment information below reflects the revised structure for all periods shown.

Dental and Healthcare Consumables

This segment includes responsibility for the worldwide design, manufacture, sales and distribution of the Company's Dental and Healthcare Consumable Products which include preventive, restorative, instruments, endodontic, and laboratory dental products as well as consumable medical device products.

Technologies

This segment is responsible for the worldwide design, manufacture, sales and distribution of the Company's Dental Technology Products which includes dental implants, CAD/CAM systems, imaging systems, treatment centers and orthodontic products.

The following table sets forth information about the Company's segments for the years ended December 31, 2016, 2015 and 2014.

Third Party Net Sales

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 2,058.1	$ 1,961.0	$ 2,142.3
Technologies	1,687.2	713.3	780.3
Total net sales	$ 3,745.3	$ 2,674.3	$ 2,922.6

Third Party Net Sales, Excluding Precious Metal Content

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 1,994.3	$ 1,868.8	$ 2,013.2
Technologies	1,686.7	712.7	779.5
Total net sales, excluding precious metal content	$ 3,681.0	$ 2,581.5	$ 2,792.7
Precious metal content of sales	64.3	92.8	129.9
Total net sales, including precious metal content	$ 3,745.3	$ 2,674.3	$ 2,922.6

Intersegment Net Sales

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 233.0	$ 208.0	$ 210.8
Technologies	6.4	7.3	6.8
All Other (a)	239.5	214.6	239.2
Eliminations	(478.9)	(429.9)	(456.8)
Total	$ —	$ —	$ —

(a) Includes amounts recorded at Corporate headquarters and one distribution warehouse not managed by named segments.

Depreciation and Amortization

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 78.1	$ 74.4	$ 78.2
Technologies	182.4	42.0	45.5
All Other (b)	11.2	6.5	5.4
Total	$ 271.7	$ 122.9	$ 129.1

(b) Includes amounts recorded at Corporate headquarters.

Segment Operating Income (Loss)

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 544.5	$ 470.1	$ 467.5
Technologies	355.1	93.7	111.3
Segment adjusted operating income before income taxes and interest	$ 899.6	$ 563.8	$ 578.8
Reconciling Items (income) expense:			
All Other (c)	261.3	78.4	72.1
Restructuring and other costs	23.2	64.7	11.1
Interest expense	35.9	55.9	46.9
Interest income	(2.0)	(2.2)	(5.6)
Other expense (income), net	(20.1)	(8.2)	(0.1)
Amortization of intangible assets	155.4	43.7	47.9
Depreciation resulting from the fair value step-up of property, plant and equipment from business combinations	5.0	1.8	2.1
Income before income taxes	$ 440.9	$ 329.7	$ 404.4

(c) Includes results of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments.

Capital Expenditures

(in millions)	2016	2015	2014
Dental and Healthcare Consumables	$ 42.1	$ 37.9	$ 62.2
Technologies	73.8	23.3	28.9
All Other (d)	9.1	10.8	8.5
Total	$ 125.0	$ 72.0	$ 99.6

(d) Includes capital expenditures of Corporate headquarters.

Assets

(in millions)	2016	2015
Dental and Healthcare Consumables	$ 2,616.6	$ 2,537.0
Technologies	8,103.7	1,537.7
All Other (e)	935.8	328.2
Total	$ 11,656.1	$ 4,402.9

(e) Includes assets of Corporate headquarters, inter-segment eliminations and one distribution warehouse not managed by named segments.

Geographic Information

The following table sets forth information about the Company's operations in different geographic areas for the years ended December 31, 2016, 2015 and 2014. Net sales reported below represent revenues for shipments made by operating businesses located in the country or territory identified, including export sales. Property, plant and equipment, net, represents those long-lived assets held by the operating businesses located in the respective geographic areas.

(in millions)	United States	Germany	Sweden	Other Foreign	Consolidated
2016					
Net sales	$ 1,383.0	$ 617.0	$ 53.2	$ 1,692.1	$ 3,745.3
Property, plant and equipment, net	192.5	244.1	82.5	280.7	799.8
2015					
Net sales	$ 1,027.4	$ 472.8	$ 42.3	$ 1,131.8	$ 2,674.3
Property, plant and equipment, net	178.5	92.1	92.3	195.9	558.8
2014					
Net sales	$ 1,015.9	$ 541.8	$ 48.9	$ 1,316.0	$ 2,922.6
Property, plant and equipment, net	170.8	109.3	103.9	204.8	588.8

Product and Customer Information

The following table presents net sales information by product category:

(in millions)	December 31, 2016	2015	2014
Dental consumables products	$ 1,770.3	$ 1,671.1	$ 1,807.6
Dental technology products	1,658.6	687.7	753.7
Healthcare consumable products	316.4	315.5	361.3
Total net sales	$ 3,745.3	$ 2,674.3	$ 2,922.6

Dental Consumable Products

Dental consumable products consist of value added dental supplies and small equipment used in dental offices for the treatment of patients. It also includes specialized treatment products used within the dental office and laboratory settings including products used in the preparation of dental appliances by dental laboratories.

Dentsply Sirona's dental supplies include endodontic (root canal) instruments and materials, dental anesthetics, prophylaxis paste, dental sealants, impression materials, restorative materials, tooth whiteners and topical fluoride. Small equipment products include dental handpieces, intraoral curing light systems, dental diagnostic systems and ultrasonic scalers and polishers.

The Company's products used in the dental laboratories include dental prosthetics, including artificial teeth, precious metal dental alloys, dental ceramics and crown and bridge materials. Dental laboratory equipment products include porcelain furnaces.

Dental Technology Products

Dental technology products consist of high-tech state-of-art dental implants and related scanning equipment and treatment software, orthodontic appliances for dental practitioners and specialist and dental laboratories. The product category also includes basic and high-tech dental equipment such as treatment centers, imaging equipment and computer aided design and machining "CAD/CAM" systems equipment for dental practitioners and laboratories. The Company is the only manufacturer that can fully outfit a dental practitioner's office with dental equipment.

Treatment centers comprise a broad range of products from basic dentist chairs to sophisticated chair-based units with integrated diagnostic, hygiene and ergonomic functionalities, as well as specialist centers used in preventative treatment and for training purposes. Imaging systems consist of a broad range of diagnostic imaging systems for 2D or 3D, panoramic, and intra-oral applications. Dental CAD/CAM Systems are products designed for dental offices and laboratories used for dental restorations, which includes several types of restorations, such as inlays, onlays, veneers, crowns, bridges, copings and bridge frameworks made from ceramic, metal or composite blocks. This product line also includes high-tech CAD/CAM techniques of CEramic REConstruction, or CEREC equipment. This equipment allows for in-office application that enables dentists to produce high quality restorations from ceramic material and insert them into the patient's mouth during a single appointment. CEREC has a

number of advantages compared to the traditional out-of-mouth pre-shaped restoration method, as CEREC does not require a physical model, restorations can be created in the dentist's office and the procedure can be completed in a single visit.

Healthcare Consumable Products

Healthcare consumable products consist mainly of urology catheters, certain surgical products, medical drills and other non-medical products.

Concentration Risk

For the year ended December 31, 2016, two customers each accounted for more than ten percent of consolidated net sales. At December 31, 2016, one customer accounted for more than ten percent of the consolidated accounts receivable balance. For the year ended December 31, 2015, one customer accounted for more than ten percent of consolidated net sales. At December 31, 2015, there were no customers that accounted for ten percent or more of the consolidated accounts receivable balance. For the year ended December 31, 2014, the Company had no single customer that represented ten percent or more of consolidated net sales. For the years ended December 31, 2016, 2015 and 2014, third party export sales from the U.S. were less than ten percent of consolidated net sales.

NOTE 6 - OTHER EXPENSE (INCOME), NET

Other expense (income), net, consists of the following:

	December 31,		
(in millions)	2016	2015	2014
Foreign exchange transaction (gains) losses	$ (10.2)	$ (5.2)	$ 1.3
Other (income) expense, net	(9.9)	(3.0)	(1.4)
Total other expense (income), net	$ (20.1)	$ (8.2)	$ (0.1)

Foreign exchange transaction gains for the year ended December 31, 2016, included approximately $6.9 million foreign currency gains on foreign currency forwards designated as net investment hedges. Foreign exchange transaction gains for the year ended December 31, 2015, included approximately $5.1 million foreign currency gain on the sale of a convertible bond. Foreign exchange transaction losses for the year ended December 31, 2014, included approximately $1.1 million of interest income and fair value gains on non-designated hedges.

NOTE 7 - INVENTORIES, NET

Inventories, net, consist of the following:

	December 31,	
(in millions)	2016	2015
Finished goods	$ 311.3	$ 218.2
Work-in-process	77.1	52.3
Raw materials and supplies	128.7	69.9
Inventories, net	$ 517.1	$ 340.4

The Company's inventory valuation reserve was $37.5 million and $36.3 million at December 31, 2016 and 2015, respectively.

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net, consist of the following

(in millions)	December 31, 2016	2015
Assets, at cost:		
Land	$ 52.8	$ 38.5
Buildings and improvements	500.4	400.4
Machinery and equipment	1,218.8	846.7
Construction in progress	82.9	57.1
	1,854.9	1,342.7
Less: Accumulated depreciation	1,055.1	783.9
Property, plant and equipment, net	$ 799.8	$ 558.8

NOTE 9 - GOODWILL AND INTANGIBLE ASSETS

The Company performed the required annual impairment tests of goodwill at April 30, 2016 on 20 reporting units. As discussed in Note 5, Segment and Geographic Information, effective in the first quarter of 2016, the Company realigned reporting responsibilities for multiple locations. For any realignment that resulted in reporting unit changes, the Company applied the relative fair value method to determine the reallocation of goodwill of the associated reporting units.

To determine the fair value of the Company's reporting units, the Company uses a discounted cash flow model with market-based support as its valuation technique to measure the fair value for its reporting units. The discounted cash flow model uses five-year forecasted cash flows plus a terminal value based on a multiple of earnings. In addition, the Company applies gross margin and operating expense assumptions consistent with historical trends. The total cash flows were discounted based on a range between 6.7% to 14.7%, which included assumptions regarding the Company's weighted-average cost of capital. The Company considered the current market conditions both in the U.S. and globally, when determining its assumptions and reconciled the aggregated fair values of its reporting units to its market capitalization, which included a reasonable control premium based on market conditions. As a result of the annual impairment tests of goodwill, no impairment was identified.

At December 31, 2016, three reporting units, all components of the Technologies operating segment, and one reporting unit, a component of the Dental and Healthcare Consumables operating segment, were created as a result of the Sirona merger on February 29, 2016. At the date of the Merger, the fair value of the businesses equaled book value with goodwill for the reporting units totaling $3,776.8 million. Given the limited time since the Merger date, the reporting units' fair values approximate the book values of the reporting units. Slower net sales growth rates in the dental industry, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flow projections, among other factors, may cause a change in circumstances indicating that the carrying value of the Company's goodwill may not be recoverable.

There were no impairments of identifiable definite-lived and indefinite-lived intangible assets for the year ended December 31, 2016. Impairments of identifiable definite-lived and indefinite-lived intangible assets for the year ended December 31, 2015 was $3.7 million. There were no impairments of identifiable definite-lived and indefinite-lived intangible assets for the year ended December 31, 2014. Impairments of intangible assets are included in Restructuring and other costs in the Consolidated Statements of Operations.

At December 31, 2016, indefinite-lived assets recorded on three reporting units, all within the Technologies operating segment, and indefinite-lived assets recorded on one reporting unit within the Dental and Healthcare Consumables operating segment, were identified and fair valued as result of the Sirona merger on February 29, 2016. At the date of the Merger, the fair value of the indefinite-lived assets equaled book value totaling $905.0 million. Given the limited time since the Merger date, the indefinite-lived asset's fair values approximate the book values. Slower net sales growth rates in the dental industry, an increase in discount rates, unfavorable changes in earnings multiples or a decline in future cash flow projections, among other factors, may cause a change in circumstances indicating that the carrying value of the Company's indefinite-lived assets may not be recoverable.

A reconciliation of changes in the Company's goodwill by segment and in total are as follows (the segment information below reflects the current structure for all periods shown):

(in millions)	Dental and Healthcare Consumables	Technologies	Total
Balance at December 31, 2014	$ 951.9	$ 1,137.4	$ 2,089.3
Acquisition activity	31.3	—	31.3
Effect of exchange rate changes	(26.6)	(106.4)	(133.0)
Balance at December 31, 2015	$ 956.6	$ 1,031.0	$ 1,987.6
Merger related additions	113.3	3,663.5	3,776.8
Acquisition activity	8.5	196.1	204.6
Adjustment of provisional amounts on prior acquisitions	1.6	—	1.6
Effect of exchange rate changes	11.2	(29.8)	(18.6)
Balance, at December 31, 2016	$ 1,091.2	$ 4,860.8	$ 5,952.0

Identifiable definite-lived and indefinite-lived intangible assets consist of the following:

	December 31, 2016			December 31, 2015		
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents	$ 1,189.5	$ (177.3)	$ 1,012.2	$ 164.8	$ (95.0)	$ 69.8
Trademarks	65.3	(38.7)	26.6	67.0	(36.0)	31.0
Licensing agreements	33.5	(26.7)	6.8	33.7	(24.9)	8.8
Customer relationships	1,004.8	(181.2)	823.6	437.7	(125.4)	312.3
Total definite-lived	$ 2,293.1	$ (423.9)	$ 1,869.2	$ 703.2	$ (281.3)	$ 421.9
Trademarks and In-process R&D	$ 1,088.4	$ —	$ 1,088.4	$ 178.8	$ —	$ 178.8
Total identifiable intangible assets	$ 3,381.5	$ (423.9)	$ 2,957.6	$ 882.0	$ (281.3)	$ 600.7

Amortization expense for identifiable definite-lived intangible assets for 2016, 2015 and 2014 was $155.1 million, $43.8 million and $47.9 million, respectively. The annual estimated amortization expense related to these intangible assets for each of the five succeeding fiscal years is $180.1 million, $178.5 million, $178.3 million, $177.9 million and $172.6 million for 2017, 2018, 2019, 2020 and 2021, respectively.

NOTE 10 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

(in millions)	December 31, 2016	2015
Deferred taxes	$ 172.1	$ 70.4
Deposits	39.4	14.8
Prepaid expenses	36.5	24.1
Fair value of derivatives	14.1	28.1
Other current assets	83.5	34.4
Prepaid expenses and other current assets	$ 345.6	$ 171.8

NOTE 11 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

(in millions)	December 31, 2016	2015
Payroll, commissions, bonuses, other cash compensation and employee benefits	$ 143.4	$ 110.0
Sales and marketing programs	102.0	43.3
Accrued vacation and holidays	37.5	26.1
Restructuring costs	27.4	35.4
Professional and legal costs	20.2	14.3
General insurance	15.0	13.5
Deferred income	14.1	2.2
Warranty liabilities	11.2	3.8
Third party royalties	10.4	8.5
Accrued interest	8.1	8.9
Accrued travel expenses	6.9	5.6
Accrued property taxes	6.4	2.7
Current portion of derivatives	2.7	11.0
Other	57.4	24.8
Accrued liabilities	$ 462.7	$ 310.1

NOTE 12 - FINANCING ARRANGEMENTS

Short-Term Debt

Short-term debt consisted of the following:

	December 31,			
	2016		2015	
(in millions except percentage amounts)	Principal Balance	Interest Rate	Principal Balance	Interest Rate
Brazil short-term loans	$ 1.5	15.0%	$ 2.5	15.1%
China short-term loans	6.8	3.5%		
Other short-term loans	1.8	3.1%	0.4	2.8%
Add: Current portion of long-term debt	11.0		9.2	
Total short-term debt	$ 21.1		$ 12.1	

	2016	2015
Maximum month-end short-term debt outstanding during the year	$ 49.0	$ 453.2
Average amount of short-term debt outstanding during the year	15.5	265.3
Weighted-average interest rate on short-term debt at year-end	3.9%	13.4%

Short-Term Borrowings

The Company has a $500.0 million commercial paper facility. At December 31, 2016 and 2015, there were no outstanding borrowings under this facility. The average balance outstanding for the commercial paper facility during the year ended December 31, 2016 was $0.2 million.

Long-Term Debt

Long-term debt consisted of the following:

(in millions except percentage amounts)	December 31, 2016 Principal Balance	2016 Interest Rate	December 31, 2015 Principal Balance	2015 Interest Rate
Private placement notes $250.0 million due February 2016	$ —	—%	$ 75.1	4.1%
Fixed rate senior notes $300.0 million due August 2016	—	—%	299.9	2.8%
Term loan 65.0 million Swiss francs denominated due September 2016	—	—%	64.9	0.3%
Term loan 12.6 billion Japanese yen denominated due September 2019	107.5	0.7%	104.4	0.8%
Term loan $175.0 million due August 2020	148.8	2.1%	157.5	1.5%
Fixed rate senior notes $450 million due August 2021	295.7	4.1%	295.6	4.1%
Private placement notes 70.0 million euros due October 2024	73.8	1.0%	—	—
Private placement notes 25.0 million Swiss franc due December 2025	24.5	0.9%	25.0	0.9%
Private placement notes 97.0 million euros due December 2025	102.2	2.1%	105.3	2.0%
Private placement notes 26.0 million euros due February 2026	27.4	2.1%	—	—
Private placement notes 58.0 million Swiss franc due August 2026	57.0	1.0%	—	—
Private placement notes 106.0 million euros due August 2026	111.7	2.3%	—	—
Private placement notes 70.0 million euros due October 2027	73.7	1.3%	—	—
Private placement notes 7.5 million Swiss franc due December 2027	7.4	1.0%	7.5	1.0%
Private placement notes 15.0 million euros due December 2027	15.8	2.2%	16.3	2.2%
Private placement notes 140.0 million Swiss franc due August 2028	137.6	1.2%	—	—
Private placement notes 70.0 million euros due October 2029	73.8	1.5%	—	—
Private placement notes 70.0 million euros due October 2030	73.7	1.6%	—	—
Private placement notes 45.0 million euros due February 2031	47.4	2.5%	—	—
Private placement notes 65.0 million Swiss franc due August 2031	63.9	1.3%	—	—
Private placement notes 70.0 million euros due October 2031	73.8	1.7%	—	—
Other borrowings, various currencies and rates	12.5		2.0	
	$ 1,528.2		$ 1,153.5	
Less: Current portion				
(included in “Notes payable and current portion of long-term debt” in the Consolidated Balance Sheets)	11.0		9.2	
Less: Long-term portion of deferred financing costs	6.1		3.3	
Long-term portion	$ 1,511.1		$ 1,141.0	

In February 2016, the Company paid the final required payment of $75.0 million under the $250.0 million private placement notes by issuing commercial paper. The Company used the proceeds from the February 19, 2016 private placement notes issuance to pay the 2016 payment.

On August 26, 2016, the Company paid the third annual principal amortization of $8.8 million representing a 5% mandatory principal amortization due in each of the first six years under the terms of the $175.0 million Term Loan with a final maturity of August 26, 2020. An amount of $8.8 million will be due in August 2017 and has been classified as current in the Consolidated Balance Sheets. The Company intends to use available cash, commercial paper and the revolving credit facilities to pay the 2017 payment.

On February 19, 2016, the Company issued the following private placements notes under the December 11, 2015 Note Purchase Agreement: 11.0 million euros aggregate principal amount bearing interest of 2.05%, Series F Senior Notes due February 19, 2026; 15.0 million euros aggregate principal amount bearing interest of 2.05%, Series G Senior Notes due February 19, 2026; and 45.0 million euros aggregate principal amount bearing interest of 2.45%, Series H Senior Notes due February 19, 2031.

On August 15, 2016, the Company issued the following private placements notes under the December 11, 2015 Note Purchase Agreement: 58.0 million Swiss francs aggregate principal amount of 1.01%, Series I Senior Notes due August 15, 2026; 40.0 million euros aggregate principal amount bearing interest of 2.25%, Series J Senior Notes due August 15, 2026; 66.0 million euros aggregate principal amount bearing interest of 2.25%, Series K Senior Notes due August 15, 2026; 140.0 million Swiss francs aggregate principal amount bearing interest of 1.17%, Series L Senior Notes due August 15, 2028; and 65.0 million Swiss francs aggregate principal amount bearing interest of 1.33%, Series M Senior Notes due August 15, 2031.

The 2016 issuance of the private placement notes were used to finance the payments of $75.0 million on the $250.0 million private placement notes due February 19, 2016, the $300.0 million fixed rate senior notes that matured on August 2016 and the 65.0 million Swiss francs term loan that matured on September 1, 2016.

On October 27, 2016, the Company executed a new Note Purchase Agreement in a private placement with institutional investors to sell 350.0 million euros aggregate principal amount of senior notes at a weighted average interest rate of 1.40%. The Company issued 87.5 million euros in the following series: 17.5 million euros aggregate principal amount bearing interest of 0.98%, Series N Senior Notes due October 27, 2024; 14.5 million euros aggregate principal amount bearing interest of 1.31%, Series O Senior Notes due October 27, 2027; 3.0 million euros aggregate principal amount bearing interest of 1.31%, Series P Senior Notes due October 27, 2027; 15.5 million euros aggregate principal amount bearing interest of 1.50%, Series Q Senior Notes due October 27, 2029; 2.0 million euros aggregate principal amount bearing interest of 1.50%, Series R Senior Notes due October 27, 2029; 6.5 million euros aggregate principal amount bearing interest of 1.58%, Series S Senior Notes due October 27, 2030; 11.0 million euros aggregate principal amount bearing interest of 1.58%, Series T Senior Notes due October 27, 2030; 10.5 million euros aggregate principal amount bearing interest of 1.65%, Series U Senior Notes due October 27, 2031; and 7.0 million euros aggregate principal amount bearing interest of 1.65%, Series V Senior Notes due October 27, 2031. The Company issued 262.5 million euros in the following series: 52.5 million euros aggregate principal amount bearing interest of 0.98%, Series A Senior Notes due October 27, 2024; 43.5 million euros aggregate principal amount bearing interest of 1.31%, Series B Senior Notes due October 27, 2027; 9.0 million euros aggregate principal amount bearing interest of 1.31%, Series C Senior Notes due October 27, 2027; 46.5 million euros aggregate principal amount bearing interest of 1.50%, Series D Senior Notes due October 27, 2029; 6.0 million euros aggregate principal amount bearing interest of 1.50%, Series E Senior Notes due October 27, 2029; 19.5 million euros aggregate principal amount bearing interest of 1.58%, Series F Senior Notes due October 27, 2030; 33.0 million euros aggregate principal amount bearing interest of 1.58%, Series G Senior Notes due October 27, 2030; 31.5 million euros aggregate principal amount bearing interest of 1.65%, Series H Senior Notes due October 27, 2031; and 21.0 million euros aggregate principal amount bearing interest of 1.65%, Series I Senior Notes due October 27, 2031. Proceeds from the senior notes were used to finance acquisitions in the fourth quarter of 2016.

Effective June 30, 2016, the Company amended and extended its $500.0 million multicurrency revolving credit facility for an additional year thorough July 23, 2021. In addition, certain non-extending members of the bank group were replaced with existing and new lenders. The Company has access to the full $500.0 million through July 23, 2021. The facility is unsecured and contains certain affirmative and negative covenants relating to the operations and financial condition of the Company. The most restrictive of these covenants pertain to asset dispositions and prescribed ratios of debt outstanding to total capital not to exceed the ratio of 0.6 to 1.0, and operating income excluding depreciation and amortization to interest expense of not less than 3.0 times. Any breach of any such covenants or restrictions would result in a default under the existing debt agreements that would permit the lenders to declare all borrowings under such debt agreements to be immediately due and payable and through cross default provisions, would entitle the Company's other lenders to accelerate their loans. At December 31, 2016 and 2015, there were no outstanding borrowings under the revolving credit facility.

The Company’s revolving credit facility, term loans and senior notes contain certain affirmative and negative covenants relating to the Company's operations and financial condition. At December 31, 2016, the Company was in compliance with all debt covenants.

At December 31, 2016, the Company had $549.4 million borrowings available under unused lines of credit, including lines available under its short-term arrangements and revolving credit agreement.

The table below reflects the contractual maturity dates of the various borrowings at December 31, 2016:

(in millions)	
2017	$ 11.0
2018	10.7
2019	117.6
2020	123.9
2021	296.7
2022 and beyond	968.3
	$ 1,528.2

NOTE 13 - EQUITY

At December 31, 2016, the Company had authorization to maintain up to 39.0 million shares of treasury stock under its stock repurchase program as approved by the Board of Directors on September 21, 2016. During 2016, 2015 and 2014, the Company repurchased outstanding shares of common stock at a cost of $815.1 million, $112.7 million and $163.2 million, respectively. For the years ended December 31, 2016, 2015 and 2014, the Company received proceeds of $41.0 million, $35.5 million and $49.0 million, respectively, primarily as a result of stock options exercised in the amount of 1.2 million, 1.1 million and 1.5 million in each of the years, respectively. It is the Company's practice to issue shares from treasury stock when options are exercised. The tax benefit realized for the options exercised during the year ended December 31, 2016, 2015 and 2014 is $16.1 million, $11.6 million and $2.1 million, respectively.

The following table represents total outstanding shares of common stock and treasury stock for the years ended December 31:

(in millions)	Shares of Common Stock	Shares of Treasury Stock	Outstanding Shares
Balance at December 31, 2013	162.8	(20.5)	142.3
Shares of treasury stock issued	—	1.9	1.9
Repurchase of common stock at an average cost of $49.88	—	(3.3)	(3.3)
Balance at December 31, 2014	162.8	(21.9)	140.9
Shares of treasury stock issued	—	1.3	1.3
Repurchase of common stock at an average cost of $52.50	—	(2.1)	(2.1)
Balance at December 31, 2015	162.8	(22.7)	140.1
Common stock issuance related to Merger	101.7	—	101.7
Shares of treasury stock issued	—	1.7	1.7
Repurchase of common stock at an average cost of $60.78	—	(13.4)	(13.4)
Balance at December 31, 2016	264.5	(34.4)	230.1

On February 29, 2016, in conjunction with the Merger, the Company increased the authorized number of shares of common stock to 400.0 million.

The Company maintains the 2016 Omnibus Incentive Plan (the "Plan") under which it may grant non-qualified stock options ("NQSO"), incentive stock options, restricted stock, restricted stock units ("RSU") and stock appreciation rights, collectively referred to as "Awards." Awards are granted at exercise prices that are equal to the closing stock price on the date of grant. The Company authorized grants under the Plan of 25.0 million shares of common stock, plus any unexercised portion of canceled or terminated stock options granted under the legacy DENTSPLY International Inc. 2010 and 2002 Equity Incentive Plans, as amended, and under the legacy Sirona Dental Systems, Inc. 2015 and 2006 Equity Incentive Plans, as amended. For each restricted stock and RSU issued, it is counted as a reduction of 3.09 shares of common stock available to be issued under the Plan. No key employee may be granted awards in excess of 1.0 million shares of common stock in any calendar year. The number of shares available for grant under the 2016 Plan at December 31, 2016 is 36.4 million.

Stock options granted become exercisable as determined by the grant agreement and expire ten years after the date of grant under these plans. RSU vest as determined by the grant agreement and are subject to a service condition, which requires grantees

to remain employed by the Company during the period following the date of grant. Under the terms of the RSU, the vesting period is referred to as the restricted period. RSU and the rights under the award may not be sold, assigned, transferred, donated, pledged or otherwise disposed of during the restricted period prior to vesting. In addition to the service condition, certain key executives are granted RSU subject to performance requirements that can vary between the first year and up to the final year of the RSU award. If targeted performance is not met the RSU granted is adjusted to reflect the achievement level. Upon the expiration of the applicable restricted period and the satisfaction of all conditions imposed, all restrictions imposed on RSU will lapse, and one shares of common stock will be issued as payment for each vested RSU. Upon death, disability or qualified retirement all awards become immediately exercisable for up to one year. Awards are expensed as compensation over their respective vesting periods or to the eligible retirement date if shorter.

The following table represents total stock based compensation expense and the tax related benefit for the years ended:

(in millions)	December 31, 2016	2015	2014
Stock option expense	$ 10.6	$ 8.1	$ 8.8
RSU expense	29.1	16.2	15.4
Total stock based compensation expense	$ 39.7	$ 24.3	$ 24.2
Related deferred income tax benefit	$ 10.9	$ 7.1	$ 6.7

For the years ended December 31, 2016, 2015, and 2014, stock compensation expense of $39.7 million, $24.3 million and $24.2 million, respectively, was recorded in the Consolidated Statement of Operations. For the years ended December 31, 2016, 2015, and 2014, $39.1 million, $23.6 million and $23.5 million, respectively, was recorded in Selling, general and administrative expense and $0.6 million, $0.7 million and $0.7 million, respectively, was recorded in Cost of products sold.

There were 1.7 million non-qualified stock options unvested at December 31, 2016. The remaining unamortized compensation cost related to non-qualified stock options is $11.8 million, which will be expensed over the weighted average remaining vesting period of the options, or 1.4 years. The unamortized compensation cost related to RSU is $42.0 million, which will be expensed over the remaining weighted average restricted period of the RSU, or 1.5 years.

The Company uses the Black-Scholes option-pricing model to estimate the fair value of each option awarded. The following table sets forth the average assumptions used to determine compensation cost for the Company's NQSO issued during the years ended:

	December 31, 2016	2015	2014
Weighted average fair value per share	$ 12.78	$ 10.87	$ 9.41
Expected dividend yield	0.52%	0.51%	0.59%
Risk-free interest rate	1.54%	1.59%	1.61%
Expected volatility	20.8%	20.3%	21.6%
Expected life (years)	6.14	5.68	5.13

The total intrinsic value of options exercised for the years ended December 31, 2016, 2015 and 2014 was $38.3 million, $22.3 million and $28.8 million, respectively.

The total fair value of shares vested for the years ended December 31, 2016, 2015 and 2014 was $34.8 million, $22.7 million and $20.2 million, respectively.

The following table summarizes the NQSO transactions for the year ended December 31, 2016:

(in millions, except per share amounts)	Outstanding			Exercisable		
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
December 31, 2015	7.3	$ 38.85	$ 159.9	5.7	$ 36.38	$ 139.4
Granted	0.7	57.52				
Merger	1.7	26.93				
Exercised	(1.3)	30.73				
December 31, 2016	8.4	$ 39.22	$ 155.9	6.7	$ 36.03	$ 144.9

The weighted average remaining contractual term of all outstanding options is 5.1 years and the weighted average remaining contractual term of exercisable options is 4.3 years.

The following table summarizes information about NQSO outstanding for the year ended December 31, 2016:

(in millions, except per share amounts and life)	Outstanding			Exercisable	
Range of Exercise Prices	Number Outstanding at December 31, 2016	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable at December 31, 2016	Weighted Average Exercise Price
5.01 - 10.00	0.3	1.9	$ 6.50	0.3	$ 6.50
10.01 - 20.00	0.1	1.4	14.39	0.1	14.39
20.01 - 30.00	0.9	2.3	25.68	0.9	25.68
30.01 - 40.00	3.4	4.4	36.49	3.2	36.47
40.01 - 50.00	2.3	5.6	44.11	1.9	43.69
50.01 - 60.00	1.2	8.5	53.58	0.3	52.12
60.01 - 70.00	0.2	9.2	60.74	—	—
	8.4	5.1	$ 39.22	6.7	$ 36.03

The following table summarizes the unvested RSU transactions for the year ended December 31, 2016:

(in millions, except per share amounts)	Unvested Restricted Stock Units	
	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2015	1.1	$ 45.82
Granted	0.4	56.40
Merger	1.0	46.64
Vested	(0.5)	40.06
Forfeited	(0.1)	50.77
Unvested at December 31, 2016	1.9	$ 49.55

NOTE 14 - INCOME TAXES

The components of income before income taxes from operations are as follows:

(in millions)	December 31, 2016	2015	2014
United States	$ 28.9	$ 26.8	$ 59.6
Foreign	412.0	302.9	344.8
	$ 440.9	$ 329.7	$ 404.4

The components of the provision for income taxes from operations are as follows:

(in millions)	December 31, 2016	2015	2014
Current:			
U.S. federal	$ 2.3	$ (3.0)	$ (12.8)
U.S. state	5.6	1.7	(0.3)
Foreign	111.7	50.9	76.7
Total	$ 119.6	$ 49.6	$ 63.6
Deferred:			
U.S. federal	$ 27.6	$ 44.3	$ 32.3
U.S. state	1.3	0.3	(9.9)
Foreign	(139.0)	(17.2)	(4.9)
Total	$ (110.1)	$ 27.4	$ 17.5
	$ 9.5	$ 77.0	$ 81.1

The reconciliation of the U.S. federal statutory tax rate to the effective rate for the years ended is as follows:

	December 31, 2016	2015	2014
Statutory U. S. federal income tax rate	35.0 %	35.0 %	35.0 %
Effect of:			
State income taxes, net of federal benefit	1.1	0.4	0.7
Federal benefit of R&D and foreign tax credits	(12.6)	(11.2)	(10.5)
Tax effect of international operations	(3.9)	(6.4)	(3.2)
Net effect of tax audit activity	(0.6)	(0.4)	1.5
Tax effect of enacted statutory rate changes	(0.2)	0.2	(0.3)
Federal tax on unremitted earnings of certain foreign subsidiaries	0.1	2.5	(0.1)
Valuation allowance adjustments	(16.3)	0.2	(2.1)
Other	(0.4)	3.1	(0.9)
Effective income tax rate on operations	2.2 %	23.4 %	20.1 %

The tax effect of significant temporary differences giving rise to deferred tax assets and liabilities are as follows:

(in millions)	December 31, 2016		December 31, 2015	
	Deferred Tax Asset	Deferred Tax Liability	Deferred Tax Asset	Deferred Tax Liability
Commission and bonus accrual	$ 8.4	$ —	$ 7.5	$ —
Employee benefit accruals	71.5	—	52.2	—
Inventory	41.9	—	22.7	—
Identifiable intangible assets	—	1,011.8	—	318.0
Insurance premium accruals	5.5	—	4.9	—
Miscellaneous accruals	16.0	—	11.3	—
Other	19.6	—	20.5	—
Unrealized losses included in AOCI	17.5	—	14.6	—
Property, plant and equipment	—	54.8	—	39.3
Product warranty accruals	1.6	—	1.3	—
Foreign tax credit and R&D carryforward	137.9	—	135.7	—
Restructuring and other cost accruals	—	8.1	5.5	—
Sales and marketing accrual	8.0	—	7.4	—
Taxes on unremitted earnings of foreign subsidiaries	—	2.1	—	10.2
Tax loss carryforwards and other tax attributes	274.5	—	282.1	—
Valuation allowance	(182.7)	—	(274.3)	—
	$ 419.7	$ 1,076.8	$ 291.4	$ 367.5

Deferred tax assets and liabilities are included in the following Consolidated Balance Sheet line items:

(in millions)	December 31, 2016	2015
Assets		
Prepaid expenses and other current assets	$ 172.1	$ 70.4
Other noncurrent assets, net	22.8	16.9
Liabilities		
Income taxes payable	3.4	3.1
Deferred income taxes	848.6	160.3

The Company has $137.9 million of foreign tax credit carryforwards at December 31, 2016, of which $43.4 million will expire in 2023, $55.5 million will expire in 2024, $38.9 million will expire in 2025 and $0.1 million will expire in 2026.

The Company has tax loss carryforwards related to certain foreign and domestic subsidiaries of approximately $1.1 billion at December 31, 2016, of which $442.8 million expires at various times through 2036 and $680.8 million may be carried forward indefinitely. Included in deferred income tax assets at December 31, 2016 are tax benefits totaling $209.6 million, before valuation allowances, for the tax loss carryforwards.

The Company has recorded $175.3 million of valuation allowance to offset the tax benefit of net operating losses and $7.4 million of valuation allowance for other deferred tax assets. The Company has recorded these valuation allowances due to the uncertainty that these assets can be realized in the future.

As of December 31, 2016, a deferred tax asset of $18.4 million, related to a non-US tax attribute, has been recognized. This benefit is a result of an agreement that has been filed to combine the profits and losses of certain entities, effective 1/1/2019.

The Company has provided federal income taxes on certain undistributed earnings of its foreign subsidiaries that the Company anticipates will be repatriated. Deferred federal income taxes have not been provided on $599.0 million of cumulative earnings

of foreign subsidiaries that the Company has determined to be permanently reinvested. It is not practicable to estimate the amount of tax that might be payable on these permanently reinvested earnings.

Tax Contingencies

The Company applies a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company recognizes in the financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position.

The total amount of gross unrecognized tax benefits at December 31, 2016 is approximately $13.7 million, of this total, approximately $13.3 million represents the amount of unrecognized tax benefits that, if recognized, would affect the effective income tax rate. It is reasonably possible that certain amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date of the Company's consolidated financial statements. Final settlement and resolution of outstanding tax matters in various jurisdictions during the next twelve months are not expected to be significant.

The total amount of accrued interest and penalties were $2.8 million and $6.5 million at December 31, 2016 and 2015, respectively. The Company has consistently classified interest and penalties recognized in its consolidated financial statements as income taxes based on the accounting policy election of the Company. During the years ended December 31, 2016 and 2015, the Company recognized income tax benefit of $3.4 million and $2.0 million respectively, related to interest and penalties. During the year ended December 31, 2014, the company recognized a $1.9 million tax expense related to interest and penalties.

The Company is subject to U.S. federal income tax as well as income tax of multiple state and foreign jurisdictions. The significant jurisdictions include the U.S., Germany, Sweden and Switzerland. The Company has substantially concluded all U.S. federal income tax matters for years through 2011. The Company is currently under audit for the tax years 2012 and 2013. The tax years 2014 and 2015 are subject to future potential tax audit adjustments. The Company has concluded audits in Germany through the tax year 2011 and is currently under audit for the years 2012 through 2014. The taxable years that remain open for Sweden are 2011 through 2015. The taxable years that remain open for Switzerland are 2006 through 2015.

The Company had the following activity recorded for unrecognized tax benefits:

	December 31,		
(in millions)	2016	2015	2014
Unrecognized tax benefits at beginning of period	$ 12.1	$ 21.9	$ 18.0
Gross change for prior period positions	(2.0)	(7.6)	5.1
Gross change for current year positions	2.2	0.2	0.2
Decrease due to settlements and payments	(1.3)	(0.5)	(0.2)
Decrease due to statute expirations	—	(0.2)	(0.6)
Increase due to effect of foreign currency translation	—	—	—
Decrease due to effect from foreign currency translation	(0.2)	(1.7)	(0.6)
Unrecognized tax benefits at end of period	$ 10.8	$ 12.1	$ 21.9

NOTE 15 - BENEFIT PLANS

Defined Contribution Plans

The Company maintains a number of defined contribution plans. The DENTSPLY Employee Stock Ownership Plan ("ESOP") and 401(k) plans are designed to have contribution allocations of eligible compensation, with a targeted 3% going into the ESOP in Company stock and a targeted 3% going into the 401(k) as a non-elective contribution in cash. The Company sponsors an employee 401(k) savings plan for its U.S. workforce to which enrolled participants may contribute up to Internal Revenue Service defined limits. The ESOP is a non-contributory defined contribution plan that covers substantially all of the U.S. based non-union employees of the Company. All future ESOP allocations will come from a combination of forfeited shares and shares acquired in the open market. The share allocation will be accounted for at fair value at the point of allocation, which is normally year-end. Effective December 31, 2016, the DENTSPLY Employee Stock Ownership Plan was merged with the DENTSPLY 401(k) Savings Plan. The result of this merger will be the creation of the Dentsply Sirona Inc. 401(k) Savings and Employee Stock Ownership Plan (the "Plan"), effective as of January 1, 2017. In addition to these plans, the Company also maintains various other U.S. and

non-U.S. defined contribution and non-qualified deferred compensation plans. The annual expense, net of forfeitures, were $28.0 million, $24.9 million and $25.4 million for 2016, 2015 and 2014, respectively.

Defined Benefit Plans

The Company maintains a number of separate contributory and non-contributory qualified defined benefit pension plans for certain union and salaried employee groups in the United States. Pension benefits for salaried plans are based on salary and years of service; hourly plans are based on negotiated benefits and years of service. Annual contributions to the pension plans are sufficient to satisfy minimum funding requirements. Pension plan assets are held in trust and consist mainly of common stock and fixed income investments. The Company's funding policy for its U.S. plans is to make contributions that are necessary to maintain the plans on a sound actuarial basis and to meet the minimum funding standards prescribed by law. The Company may, at its discretion, contribute amounts in excess of the minimum required contribution.

In addition to the U.S. plans, the Company maintains defined benefit pension plans for certain employees in Austria, France, Germany, Italy, Japan, the Netherlands, Norway, Sweden, Switzerland and Taiwan. These plans provide benefits based upon age, years of service and remuneration. Other foreign plans are not significant individually or in the aggregate. Substantially all of the German and Swedish plans are unfunded book reserve plans. Most employees and retirees outside the U.S. are covered by government health plans.

The Company predominantly uses liability durations in establishing its discount rates, which are observed from indices of high-grade corporate bond yield curves in the respective economic regions of the plan. During the first quarter of 2016, the Company changed the method utilized to estimate the service cost and interest cost components of net periodic benefit costs for the Company's major defined benefit pension plans in Germany, Switzerland and for all defined benefit pension and other postemployment healthcare plans in the United States. Historically, the Company estimated the service cost and interest cost components using a single weighted average discount rate derived from the yield curve used to measure the benefit obligation at the beginning of the period. The Company has elected to use a spot rate approach for the estimation of these components of benefit cost by applying the specific spot rates along the yield curve to the relevant projected cash flows, as the Company believes this provides a better estimate of service and interest costs. The Company considers this a change in estimate and, accordingly, accounted for it prospectively. This change does not affect the measurement of the Company's total benefit obligation.

Defined Benefit Pension Plan Assets

The primary investment strategy is to ensure that the assets of the plans, along with anticipated future contributions, will be invested in order that the benefit entitlements of employees, pensioners and beneficiaries covered under the plan can be met when due with high probability. Pension plan assets consist mainly of common stock and fixed income investments. The target allocations for defined benefit plan assets are 30% to 65% equity securities, 30% to 65% fixed income securities, 0% to 15% real estate, and 0% to 25% in all other types of investments. Equity securities include investments in companies located both in and outside the U.S. Equity securities do not include common stock of the Company. Fixed income securities include corporate bonds of companies from diversified industries, government bonds, mortgage notes and pledge letters. Other types of investments include investments in mutual funds, common trusts, insurance contracts, hedge funds and real estate. These plan assets are not recorded in the Company's Consolidated Balance Sheet as they are held in trust or other off-balance sheet investment vehicles.

The defined benefit pension plan assets in the U.S. are held in trust and the investment policies of the plans are generally to invest the plans assets in equities and fixed income investments. The objective is to achieve a long-term rate of return in excess of 4% while at the same time mitigating the impact of investment risk associated with investment categories that are expected to yield greater than average returns. In accordance with the investment policies of the U.S. plans, the plans assets were invested in the following investment categories: interest-bearing cash, registered investment companies (e.g. mutual funds), common/collective trusts, master trust investment accounts and insurance company general accounts. The investment objective is for assets to be invested in a manner consistent with the fiduciary standards of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The defined benefit pension plan assets maintained in Austria, France, Germany, Japan, Norway, the Netherlands, Switzerland and Taiwan all have separate investment policies but generally have an objective to achieve a long-term rate of return in excess of 4% while at the same time mitigating the impact of investment risk associated with investment categories that are expected to yield greater than average returns. In accordance with the investment policies for the plans outside the U.S., the plans' assets were invested in the following investment categories: interest-bearing cash, U.S. and foreign equities, foreign fixed income securities (primarily corporate and government bonds), insurance company contracts, real estate and hedge funds.

In Germany, Sirona traditionally had an unfunded defined benefit pension plan whose benefits are based primarily on years of service and wage and salary group. This plan is closed to new participants. Sirona replaced its unfunded defined benefit pension plan in Germany with a defined contribution plan. All new hires now receive defined contributions to a pension plan based on a percentage of the employee's eligible compensation. However, due to grandfathering provisions for certain existing employees hired before the new defined contribution plan was introduced, the Company continues to be obligated to provide pension benefits which are at a minimum equal to benefits that would have been available under the terms of the traditional defined benefit plans (the "Grandfathered Benefit"). The Grandfathered Benefit and contributions to the Sirona pension plan made for those employees are included in the disclosures for defined benefit plans. The Company accounts for the Grandfathered Benefit by recognizing the higher of the defined contribution obligation or the defined benefit obligation for the minimum benefit.

The Sirona plan assets in Germany consist of insurance policies with a guaranteed minimum return by the insurance company and an excess profit participation feature for a portion of the benefits. Sirona pays the premiums on the insurance policies, but does not manage the investment of the funds. The insurance company makes all decisions on investment of funds, including the allocation to asset groups. The fair value of the plan assets which include equity securities, fixed-income investments, and others is based on the cash surrender values reported by the insurance company.

Postemployment Healthcare

The Company sponsors postemployment healthcare plans that cover certain union and salaried employee groups in the U.S. and is contributory, with retiree contributions adjusted annually to limit the Company's contribution for participants who retired after June 1, 1985. The plans for postemployment healthcare have no plan assets. The Company also sponsors unfunded non-contributory postemployment medical plans for a limited number of union employees and their spouses and retirees of a discontinued operation.

Reconciliations of changes in the defined benefit and postemployment healthcare plans' benefit obligations, fair value of assets and statement of funded status are as follows:

(in millions)	Pension Benefits December 31, 2016	Pension Benefits December 31, 2015	Other Postemployment Benefits December 31, 2016	Other Postemployment Benefits December 31, 2015
Change in Benefit Obligation				
Benefit obligation at beginning of year	$ 378.9	$ 436.9	$ 14.1	$ 13.9
Service cost	15.7	17.1	0.3	0.4
Interest cost	8.0	7.3	0.6	0.6
Participant contributions	3.8	3.7	0.3	0.4
Actuarial losses (gains)	26.8	(41.1)	1.4	(0.4)
Plan amendments	0.3	(0.3)	—	—
Acquisitions/Divestitures	76.3	(0.7)	—	—
Effect of exchange rate changes	(14.2)	(28.7)	—	—
Plan curtailments and settlements	(8.5)	(1.6)	—	—
Benefits paid	(14.0)	(13.7)	(0.6)	(0.8)
Benefit obligation at end of year	$ 473.1	$ 378.9	$ 16.1	$ 14.1
Change in Plan Assets				
Fair value of plan assets at beginning of year	$ 142.0	$ 143.6	$ —	$ —
Actual return on assets	6.5	0.5	—	—
Plan settlements	(8.0)	(0.3)	—	—
Acquisitions/Divestitures	12.7	—	—	—
Effect of exchange rate changes	(2.4)	(2.2)	—	—
Employer contributions	16.2	10.4	0.3	0.4
Participant contributions	3.8	3.7	0.3	0.4
Benefits paid	(14.0)	(13.7)	(0.6)	(0.8)
Fair value of plan assets at end of year	$ 156.8	$ 142.0	$ —	$ —
Funded status at end of year	$ (316.3)	$ (236.9)	$ (16.1)	$ (14.1)

The amounts recognized in the accompanying Consolidated Balance Sheets, net of tax effects, are as follows:

(in millions)	Location On The Consolidated Balance Sheet	Pension Benefits December 31, 2016	Pension Benefits December 31, 2015	Other Postemployment Benefits December 31, 2016	Other Postemployment Benefits December 31, 2015
Other noncurrent assets, net	Other noncurrent assets, net	$ 0.1	$ —	$ —	$ —
Deferred tax asset	Other noncurrent assets, net	31.7	27.0	1.4	0.9
Total assets		$ 31.8	$ 27.0	$ 1.4	$ 0.9
Current liabilities	Accrued liabilities	(6.9)	(4.2)	(0.7)	(0.7)
Other noncurrent liabilities	Other noncurrent liabilities	(309.5)	(232.7)	(15.4)	(13.4)
Deferred tax liability	Deferred income taxes	(0.5)	(0.8)	—	—
Total liabilities		$ (316.9)	$ (237.7)	$ (16.1)	$ (14.1)
Accumulated other comprehensive income	Accumulated other comprehensive loss	82.3	71.5	2.2	1.5
Net amount recognized		$ (202.8)	$ (139.2)	$ (12.5)	$ (11.7)

Amounts recognized in AOCI consist of:

(in millions)	Pension Benefits December 31, 2016	Pension Benefits December 31, 2015	Other Postemployment Benefits December 31, 2016	Other Postemployment Benefits December 31, 2015
Net actuarial loss	$ 115.3	$ 100.1	$ 3.5	$ 2.4
Net prior service cost	(1.8)	(2.4)	—	—
Before tax AOCI	$ 113.5	$ 97.7	$ 3.5	$ 2.4
Less: Deferred taxes	31.2	26.2	1.3	0.9
Net of tax AOCI	$ 82.3	$ 71.5	$ 2.2	$ 1.5

Information for pension plans with an accumulated benefit obligation in excess of plan assets:

(in millions)	December 31, 2016	December 31, 2015
Projected benefit obligation	$ 458.7	$ 377.7
Accumulated benefit obligation	427.2	361.0
Fair value of plan assets	142.3	140.7

Components of net periodic benefit cost:

(in millions)	Pension Benefits 2016	Pension Benefits 2015	Pension Benefits 2014	Other Postemployment Benefits 2016	Other Postemployment Benefits 2015	Other Postemployment Benefits 2014
Service cost	$ 15.7	$ 17.1	$ 14.0	$ 0.3	$ 0.4	$ 0.2
Interest cost	8.0	7.3	11.1	0.6	0.6	0.5
Expected return on plan assets	(5.1)	(5.4)	(5.5)	—	—	—
Amortization of prior service (credit) cost	(0.2)	(0.2)	(0.1)	—	—	—
Amortization of net actuarial loss	5.1	7.8	2.8	0.2	0.2	0.1
Curtailment and settlement loss (gains)	1.2	(0.8)	0.1	—	—	—
Net periodic benefit cost	$ 24.7	$ 25.8	$ 22.4	$ 1.1	$ 1.2	$ 0.8

Other changes in plan assets and benefit obligations recognized in AOCI:

(in millions)	Pension Benefits 2016	Pension Benefits 2015	Pension Benefits 2014	Other Postemployment Benefits 2016	Other Postemployment Benefits 2015	Other Postemployment Benefits 2014
Net actuarial loss (gain)	$ 20.3	$ (48.6)	$ 88.5	$ 1.4	$ (0.4)	$ 1.4
Net prior service cost (credit)	0.4	(0.3)	0.4	—	—	—
Amortization	(4.9)	(7.6)	(2.6)	(0.2)	(0.2)	—
Total recognized in AOCI	$ 15.8	$ (56.5)	$ 86.3	$ 1.2	$ (0.6)	$ 1.4
Total recognized in net periodic benefit cost and AOCI	$ 40.5	$ (30.7)	$ 108.7	$ 2.3	$ 0.6	$ 2.2

The estimated net loss, prior service cost and transition obligation for the defined benefit plans that will be amortized from AOCI into net periodic benefit cost over the next fiscal year are $6.3 million. There will be an immaterial amount of estimated net loss and prior service credit for the other postemployment plans that will be amortized from AOCI into net periodic benefit cost over the next fiscal year.

The amounts in AOCI that are expected to be amortized as net expense (income) during fiscal year 2017 are as follows:

(in millions)	Pension Benefits	Other Postemployment Benefits
Amount of net prior service (credit) cost	$ (0.2)	$ —
Amount of net loss	6.5	0.2

Assumptions

The assumptions used to determine benefit obligations and net periodic benefit cost for the Company's plans are similar for both U.S. and foreign plans.

The weighted average assumptions used to determine benefit obligations for the Company's plans, principally in foreign locations, at December 31, 2016, 2015 and 2014 are as follows:

	Pension Benefits			Other Postemployment Benefits		
	2016	2015	2014	2016	2015	2014
Discount rate	1.6%	2.1%	1.8%	4.4%	4.7%	4.3%
Rate of compensation increase	2.6%	2.5%	2.6%	n/a	n/a	n/a
Health care cost trend pre 65	n/a	n/a	n/a	7.8%	7.6%	8.0%
Health care cost trend post 65	n/a	n/a	n/a	8.5%	8.2%	7.0%
Ultimate health care cost trend	n/a	n/a	n/a	4.5%	5.0%	5.0%
Years until trend is reached pre 65	n/a	n/a	n/a	9.0	9.0	8.0
Years until ultimate trend is reached post 65	n/a	n/a	n/a	9.0	9.0	7.0

The weighted average assumptions used to determine net periodic benefit cost for the Company's plans, principally in foreign locations, for the years ended December 31, 2016, 2015 and 2014 are as follows:

	Pension Benefits			Other Postemployment Benefits		
	2016	2015	2014	2016	2015	2014
Discount rate	2.1%	1.8%	3.2%	4.7%	4.3%	4.8%
Expected return on plan assets	3.3%	3.7%	3.8%	n/a	n/a	n/a
Rate of compensation increase	2.5%	2.6%	2.7%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	7.8%	8.5%	8.5%
Ultimate health care cost trend	n/a	n/a	n/a	4.5%	5.0%	5.0%
Years until ultimate trend is reached	n/a	n/a	n/a	9.0	8.0	8.0
Measurement Date	12/31/2016	12/31/2015	12/31/2014	12/31/2016	12/31/2015	12/31/2014

To develop the assumptions for the expected long-term rate of return on assets, the Company considered the current level of expected returns on risk free investments (primarily U.S. government bonds), the historical level of the risk premium associated with the other asset classes in which the assets are invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocations to develop the assumptions for the expected long-term rate of return on assets.

Assumed health care cost trend rates have an impact on the amounts reported for postemployment benefits. An ongoing one percentage point change in assumed healthcare cost trend rates would have had the following effects for the year ended December 31, 2016:

(in millions)	Other Postemployment Benefits	
	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 0.2	$ (0.2)
Effect on postemployment benefit obligation	2.6	(2.1)

Fair Value Measurements of Plan Assets

The fair value of the Company's pension plan assets at December 31, 2016 is presented in the table below by asset category. Approximately 75% of the total plan assets are categorized as Level 1, and therefore, the values assigned to these pension assets are based on quoted prices available in active markets. For the other category levels, a description of the valuation is provided in Note 1, Significant Accounting Policies, under the "Fair Value Measurement" heading.

(in millions)	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Assets Category				
Cash and cash equivalents	$ 11.5	$ 11.5	$ —	$ —
Equity securities:				
International	39.1	39.1	—	—
Fixed income securities:				
Fixed rate bonds (a)	52.6	52.6	—	—
Other types of investments:				
Mutual funds (b)	14.3	14.3	—	—
Common trusts (c)	9.9	—	9.9	—
Insurance contracts	25.1	—	—	25.1
Hedge funds	4.0	—	—	4.0
Real estate	0.3	—	—	0.3
Total	$ 156.8	$ 117.5	$ 9.9	$ 29.4

(in millions)	December 31, 2015			
	Total	Level 1	Level 2	Level 3
Assets Category				
Cash and cash equivalents	$ 9.2	$ 9.2	$ —	$ —
Equity securities:				
International	39.2	39.2	—	—
Fixed income securities:				
Fixed rate bonds (a)	52.4	52.4	—	—
Other types of investments:				
Mutual funds (b)	14.5	14.5	—	—
Common trusts (c)	9.0	—	9.0	—
Insurance contracts	14.2	—	3.9	10.3
Hedge funds	3.2	—	—	3.2
Real estate	0.3	—	—	0.3
Total	$ 142.0	$ 115.3	$ 12.9	$ 13.8

(a) This category includes fixed income securities invested primarily in Swiss bonds, foreign bonds denominated in Swiss francs, foreign currency bonds, mortgage notes and pledged letters.
(b) This category includes mutual funds balanced between moderate-income generation and moderate capital appreciation with investment allocations of approximately 50% equities and 50% fixed income investments.
(c) This category includes common/collective funds with investments in approximately 65% equities and 35% in fixed income investments.

The following table provides a reconciliation from December 31, 2015 to December 31, 2016 for the plan assets categorized as Level 3. During the year ended December 31, 2016, $0.2 million of plan assets were transferred out of the Level 3 category.

	Year Ended December 31, 2016			
(in millions)	Insurance Contracts	Hedge Funds	Real Estate	Total
Balance at December 31, 2015	$ 10.3	$ 3.2	$ 0.3	$ 13.8
Actual return on plan assets:				
Relating to assets still held at the reporting date	2.1	—	—	2.1
Acquisitions/Divestitures	12.7	—	—	12.7
Purchases, sales and settlements, net	1.0	0.9	—	1.9
Transfers in and/or (out)	(0.2)	—	—	(0.2)
Effect of exchange rate changes	(0.8)	(0.1)	—	(0.9)
Balance at December 31, 2016	$ 25.1	$ 4.0	$ 0.3	$ 29.4

The following tables provide a reconciliation from December 31, 2014 to December 31, 2015 for the plan assets categorized as Level 3. During the year ended December 31, 2015, no assets were transferred in or out of the Level 3 category.

	Year Ended December 31, 2015			
(in millions)	Insurance Contracts	Hedge Funds	Real Estate	Total
Balance at December 31, 2014	$ 11.9	$ 1.8	$ 0.4	$ 14.1
Actual return on plan assets:				
Relating to assets still held at the reporting date	(0.6)	0.1	—	(0.5)
Purchases, sales and settlements, net	0.3	1.4	—	1.7
Effect of exchange rate changes	(1.3)	(0.1)	(0.1)	(1.5)
Balance at December 31, 2015	$ 10.3	$ 3.2	$ 0.3	$ 13.8

Fair values for Level 3 assets are determined as follows:

Common Trusts and Hedge Funds: The investments are valued using the net asset value provided by the administrator of the trust or fund, which is based on the fair value of the underlying securities.

Real Estate: Investment is stated by its appraised value.

Insurance Contracts: The value of the asset represents the mathematical reserve of the insurance policies and is calculated by the insurance firms using their own assumptions.

Cash Flows

In 2017, the Company expects to make contributions and direct benefit payments of $11.4 million to its defined benefit pension plans and $0.7 million to its postemployment medical plans.

Estimated Future Benefit Payments

(in millions)	Pension Benefits	Other Postemployment Benefits
2017	$ 15.4	$ 0.7
2018	15.5	0.7
2019	14.8	0.6
2020	17.2	0.6
2021	16.2	0.6
2022-2026	95.9	3.2

The above table reflects the total employer contributions and benefits expected to be paid from the plan and does not include the participants' share of the cost.

NOTE 16 - RESTRUCTURING AND OTHER COSTS

Restructuring Costs

Restructuring costs of $20.9 million, $61.4 million and $9.9 million for the year ended 2016, 2015 and 2014, respectively, are reflected in Restructuring and other costs in the Consolidated Statement of Operations and the associated liabilities are recorded in Accrued liabilities and Other noncurrent liabilities in the Consolidated Balance Sheets. These costs consist of employee severance benefits, payments due under operating contracts, and other restructuring costs.

In October 2016, the Company announced that it is proposing plans in Germany to reorganize and combine portions of its manufacturing, logistics and distribution networks within both of the Company's segments. As required under German law, the Company has entered into a statutory co-determination process under which it will collaborate with the appropriate labor groups to jointly define the infrastructure and staffing adjustments necessary to support this initiative. The Company also initiated similar actions in other regions of the world. The Company estimates the cost of these initiatives to range up to $83.0 million, primarily for severance related benefits for employees, which is expected to be incurred as actions are implemented over the next two years.

During 2015, the Company announced that it reorganized portions of its laboratory business and associated manufacturing capabilities within the Dental and Healthcare Consumables segment. During the year ended December 31, 2015, the Company recorded $37.3 million of costs that consist primarily of employee severance benefits related to these and other similar actions. Also during the year ended December 31, 2015, the Company recorded restructuring costs of $16.3 million within the Technologies segment that consists primarily of employee severance benefits related to the global efficiency initiative. These restructuring costs were offset by changes in estimates of $6.6 million, related to adjustments to the cost of initiatives in prior years. Other costs associated with 2015 plans of $7.4 million and $9.1 million were recorded in Cost of products sold and Selling, general and administrative expenses, respectfully, in the Consolidated Statements of Operations.

During 2014, the Company initiated several restructuring plans primarily related to closing locations as a result of integration activities as the Company realigned certain implant and implant related businesses to better leverage the Company's resources by reducing costs and obtaining operational efficiencies. These restructuring costs were offset by changes in estimates of $3.0 million, related to adjustments to the cost of initiatives in prior years.

At December 31, 2016, the Company's restructuring accruals were as follows:

(in millions)	Severances			
	2014 and Prior Plans	2015 Plans	2016 Plans	Total
Balance at December 31, 2015	$ 1.5	$ 34.6	$ —	$ 36.1
Provisions and adjustments	—	4.7	11.4	16.1
Amounts applied	(0.8)	(18.5)	(2.8)	(22.1)
Change in estimates	(0.1)	(0.8)	(0.4)	(1.3)
Balance at December 31, 2016	$ 0.6	$ 20.0	$ 8.2	$ 28.8

(in millions)	Lease/Contract Terminations			
	2014 and Prior Plans	2015 Plans	2016 Plans	Total
Balance at December 31, 2015	$ 0.8	$ 3.4	$ —	$ 4.2
Provisions and adjustments	—	5.4	0.5	5.9
Amounts applied	(0.4)	(3.3)	(0.2)	(3.9)
Change in estimates	(0.2)	(3.0)	—	(3.2)
Balance at December 31, 2016	$ 0.2	$ 2.5	$ 0.3	$ 3.0

(in millions)	Other Restructuring Costs			
	2014 and Prior Plans	2015 Plans	2016 Plans	Total
Balance at December 31, 2015	$ 0.3	$ 0.6	$ —	$ 0.9
Provisions and adjustments	0.1	3.1	0.5	3.7
Amounts applied	(0.2)	(3.0)	(0.3)	(3.5)
Change in estimates	—	(0.4)	—	(0.4)
Balance at December 31, 2016	$ 0.2	$ 0.3	$ 0.2	$ 0.7

The following table provides the cumulative amounts for the provisions and adjustments and amounts applied for all the plans by segment:

(in millions)	December 31, 2015	Provisions and Adjustments	Amounts Applied	Change in Estimates	December 31, 2016
Dental and Healthcare Consumables	$ 35.7	$ 20.5	$ (24.4)	$ (3.9)	$ 27.9
Technologies	4.3	4.9	(4.1)	(0.6)	4.5
All Other	1.2	0.3	(1.0)	(0.4)	0.1
Total	$ 41.2	$ 25.7	$ (29.5)	$ (4.9)	$ 32.5

At December 31, 2015, the Company's restructuring accruals were as follows:

(in millions)	Severances			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ 1.0	$ 5.0	$ —	$ 6.0
Provisions and adjustments	0.1	0.7	59.0	59.8
Amounts applied	(0.7)	(4.1)	(19.3)	(24.1)
Change in estimates	(0.1)	(0.4)	(5.1)	(5.6)
Balance at December 31, 2015	$ 0.3	$ 1.2	$ 34.6	$ 36.1

(in millions)	Lease/Contract Terminations			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ 0.5	$ 1.7	$ —	$ 2.2
Provisions and adjustments	—	(0.5)	5.0	4.5
Amounts applied	(0.2)	(0.7)	(0.9)	(1.8)
Change in estimates	—	—	(0.7)	(0.7)
Balance at December 31, 2015	$ 0.3	$ 0.5	$ 3.4	$ 4.2

(in millions)	Other Restructuring Costs			
	2013 and Prior Plans	2014 Plans	2015 Plans	Total
Balance at December 31, 2014	$ —	$ 1.1	$ —	$ 1.1
Provisions and adjustments	—	0.2	3.5	3.7
Amounts applied	—	(0.8)	(2.8)	(3.6)
Change in estimates	—	(0.2)	(0.1)	(0.3)
Balance at December 31, 2015	$ —	$ 0.3	$ 0.6	$ 0.9

The following table provides the cumulative amounts for the provisions and adjustments and amounts applied for all the plans by segment:

(in millions)	December 31, 2014	Provisions and Adjustments	Amounts Applied	Change in Estimates	December 31, 2015
Dental and Healthcare Consumables	$ 6.2	$ 54.3	$ (20.9)	$ (3.9)	$ 35.7
Technologies	3.0	11.9	(8.0)	(2.6)	4.3
All Other	0.1	1.8	(0.6)	(0.1)	1.2
Total	$ 9.3	$ 68.0	$ (29.5)	$ (6.6)	$ 41.2

Other Costs

For the year ended December 31, 2016, the Company recorded other costs of $2.3 million, which were primarily related to legal costs.

For the year ended December 31, 2015, the Company recorded other costs of $3.3 million, which included $4.2 million of impairments of fixed assets and intangibles offset by income from legal settlements.

For the year ended December 31, 2014, the Company recorded other costs of $1.2 million, which were primarily the result of legal settlements.

NOTE 17 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Derivative Instruments and Hedging Activities

The Company's activities expose it to a variety of market risks, which primarily include the risks related to the effects of changes in foreign currency exchange rates, interest rates and commodity prices. These financial exposures are monitored and managed by the Company as part of its overall risk management program. The objective of this risk management program is to reduce the volatility that these market risks may have on the Company's operating results and equity. The Company employs derivative financial instruments to hedge certain anticipated transactions, firm commitments, or assets and liabilities denominated in foreign currencies. Additionally, the Company utilizes interest rate swaps to convert variable rate debt to fixed rate debt.

Derivative Instruments Designated as Hedging

Cash Flow Hedges

The following table summarizes the notional amounts of cash flow hedges by derivative instrument type at December 31, 2016 and the notional amounts expected to mature during the next 12 months, with a discussion of the various cash flow hedges by derivative instrument type following the table:

(in millions)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 292.0	$ 219.9
Interest rate swaps	107.5	—
Total derivative instruments designated as cash flow hedges	$ 399.5	$ 219.9

Foreign Exchange Risk Management

The Company uses a layered hedging program to hedge select anticipated foreign currency cash flows to reduce volatility in both cash flows and reported earnings of the consolidated Company. The Company accounts for the designated foreign exchange forward contracts as cash flow hedges. As a result, the Company records the fair value of the contracts primarily through AOCI based on the tested effectiveness of the foreign exchange forward contracts. The Company measures the effectiveness of cash flow hedges of anticipated transactions on a spot-to-spot basis rather than on a forward-to-forward basis. Accordingly, the spot-to-spot change in the derivative fair value will be deferred in AOCI and released and recorded in the Consolidated Statements of Operations in the same period that the hedged transaction is recorded. The time value component of the fair value of the derivative is deemed ineffective and is reported currently in Other expense (income), net in the Consolidated Statements of Operations in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operating activities in the Consolidated Statements of Cash Flows. The Company hedges various currencies, primarily in euros, Swedish kronor, Canadian dollars, British pounds, Swiss francs, Japanese yen and Australian dollars.

These foreign exchange forward contracts generally have maturities up to 18 months and the counterparties to the transactions are typically large international financial institutions.

Interest Rate Risk Management

The Company uses interest rate swaps to convert a portion of its variable interest rate debt to fixed interest rate debt. At December 31, 2016, the Company has one significant exposure hedged with interest rate contracts. The exposure is hedged with derivative contracts having notional amounts totaling 12.6 billion Japanese yen, which effectively converts the underlying variable interest rate debt facility to a fixed interest rate of 0.9% for a term of five-years ending September 2019. Another exposure hedged with derivative contracts had a notional amount of 65.0 million Swiss francs, and effectively converted the underlying variable interest rate of a Swiss franc denominated loan to a fixed interest rate of 1.8% for a term of five-years, that matured in September 2016.

The Company enters into interest rate swap contracts infrequently as they are only used to manage interest rate risk on long-term debt instruments and not for speculative purposes. Any cash flows associated with these instruments are included in cash from operating activities in the Consolidated Statements of Cash Flows.

Commodity Risk Management

The Company enters into precious metal commodity swap contracts to effectively fix certain variable raw material costs typically for up to 18 months. These swaps are used to stabilize the cost of components used in the production of certain products. The Company generally accounts for the commodity swaps as cash flow hedges. As a result, the Company records the fair value of the contracts primarily through AOCI based on the tested effectiveness of the commodity swaps. The Company measures the effectiveness of cash flow hedges of anticipated transactions on a spot-to-spot basis rather than on a forward-to-forward basis. Accordingly, the spot-to-spot change in the derivative fair value will be deferred in AOCI and released and recorded in the Consolidated Statements of Operations in the same period that the hedged transaction is recorded. The time value component of the fair value of the derivative is deemed ineffective and is reported currently in Interest expense in the Consolidated Statements of Operations in the period which it is applicable. Any cash flows associated with these instruments are included in cash from operating activities in the Consolidated Statements of Cash Flows.

The following tables summarize the amount of gains (losses) recorded in AOCI in the Consolidated Balance Sheets and income (expense) in the Company's Consolidated Statements of Operations related to all cash flow hedges for the years ended December 31, 2016, 2015 and 2014:

	December 31, 2016			
(in millions)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (0.4)	Interest expense	$ (2.9)	
Foreign exchange forward contracts	(0.3)	Cost of products sold	4.8	
Foreign exchange forward contracts	(0.2)	SG&A expenses	0.1	
Commodity contracts	0.1	Cost of products sold	(0.1)	
Ineffective Portion:				
Foreign exchange forward contracts		Other expense (income), net		$ (0.6)
Total in cash flow hedging	$ (0.8)		$ 1.9	$ (0.6)

	December 31, 2015			
(in millions)	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (1.4)	Interest expense (a)	$ (10.1)	
Foreign exchange forward contracts	23.3	Cost of products sold	18.0	
Foreign exchange forward contracts	0.5	SG&A expenses	0.6	
Commodity contracts	(0.3)	Cost of products sold	(0.5)	
Ineffective Portion:				
Foreign exchange forward contracts		Other expense (income), net		$ (0.7)
Total for cash flow hedging	$ 22.1		$ 8.0	$ (0.7)

(a) The Company reclassified $6.0 million of losses into earnings due to the discontinuance of a cash flow hedge because a portion of the forecasted transaction will no longer occur.

(in millions)	December 31, 2014			
	Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Effective Portion Reclassified from AOCI into Income (Expense)	Ineffective Portion Recognized in Income (Expense)
Effective Portion:				
Interest rate swaps	$ (0.7)	Interest expense	$ (3.7)	
Foreign exchange forward contracts	4.3	Cost of products sold	(6.4)	
Foreign exchange forward contracts	0.5	SG&A expenses	(0.1)	
Commodity contracts	(0.2)	Cost of products sold	(0.5)	
Total for cash flow hedging	$ 3.9		$ (10.7)	$ —

Overall, the derivatives designated as cash flow hedges are considered to be highly effective. At December 31, 2016, the Company expects to reclassify $1.0 million of deferred net gains on cash flow hedges recorded in AOCI in the Consolidated Statements of Operations during the next 12 months. The term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable interest rate debt) is typically 18 months.

For the rollforward of derivative instruments designated as cash flow hedges in AOCI see Note 3, Comprehensive Income.

Hedges of Net Investments in Foreign Operations

The Company has significant investments in foreign subsidiaries the most significant of which are denominated in euros, Swiss francs, Japanese yen and Swedish kronor. The net assets of these subsidiaries are exposed to volatility in currency exchange rates. To hedge a portion of this exposure the Company employs both derivative and non-derivative financial instruments. The derivative instruments consist of foreign exchange forward contracts and cross currency basis swaps. The non-derivative instruments consist of foreign currency denominated debt held at the parent company level. Translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in derivative and non-derivative financial instruments designated as hedges of net investments, which are included in AOCI. Any cash flows associated with these instruments are included in investing activities in the Consolidated Statements of Cash Flows except for derivative instruments that include an other-than-insignificant financing element, in which case all cash flows will be classified as financing activities in the Consolidated Statements of Cash Flows.

The following table summarizes the notional amounts of hedges of net investments by derivative instrument type at December 31, 2016 and the notional amounts expected to mature during the next 12 months:

(in millions)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 95.1	$ 95.1

The fair value of the foreign exchange forward contracts and cross currency basis swaps is the estimated amount the Company would receive or pay at the reporting date, taking into account the effective interest rates, cross currency swap basis rates and foreign exchange rates. The effective portion of the change in the value of these derivatives is recorded in AOCI, net of tax effects.

The following tables summarize the amount of gains (losses) recorded in AOCI in the Consolidated Balance Sheets and income (expense) in the Company's Consolidated Statements of Operations related to the hedges of net investments for the year ended December 31, 2016, 2015 and 2014:

(in millions)	December 31, 2016 Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Foreign exchange forward contracts	$ (13.2)	Other expense (income), net	$ 6.7
Total for net investment hedging	$ (13.2)		$ 6.7

(in millions)	December 31, 2015 Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Foreign exchange forward contracts	$ 4.5	Other expense (income), net	$ 4.1
Total for net investment hedging	$ 4.5		$ 4.1

(in millions)	December 31, 2014 Gain (Loss) in AOCI	Consolidated Statements of Operations Location	Recognized in Income (Expense)
Effective Portion:			
Cross currency basis swaps	$ 19.3	Interest income	$ 1.9
Foreign exchange forward contracts	43.1	Interest expense	(1.6)
		Other expense (income), net	1.3
Total for net investment hedging	$ 62.4		$ 1.6

Fair Value Hedges

The Company used interest rate swaps to convert a portion of its fixed interest rate debt to variable interest rate debt. The Company had U.S. dollar denominated interest rate swaps with an initial total notional value of $150.0 million to effectively convert the underlying fixed interest rate of 4.1% on the Company's $250.0 million private placement notes ("PPN") to variable rate, the debt and interest rate swap matured in February 2016. The notional value of the swaps declined proportionately as portions of the PPN matured. These interest rate swaps were designated as fair value hedges of the interest rate risk associated with the hedged portion of the fixed rate PPN. Accordingly, the Company carried the portion of the hedged debt at fair value, with the change in debt and swaps offsetting each other in the Consolidated Statements of Operations. Any cash flows associated with these instruments were included in operating activities in the Consolidated Statements of Cash Flows.

The following tables summarize the amount of income (expense) recorded in the Company's Consolidated Statements of Operations related to the hedges of fair value for the years ended December 31, 2016, 2015 and 2014:

(in millions)	Consolidated Statements of Operations Location	Income (Expense) Recognized Twelve Months Ended December 31, 2016	2015	2014
Interest rate swaps	Interest expense	$ —	$ 0.3	$ 0.2

Derivative Instruments Not Designated as Hedges

The Company enters into derivative instruments with the intent to partially mitigate the foreign exchange revaluation risk associated with recorded assets and liabilities that are denominated in a non-functional currency. The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances and are recorded in Other expense (income), net in the Consolidated Statements of Operations. The Company primarily uses foreign exchange forward contracts and cross currency basis swaps to hedge these risks. Any cash flows associated with the foreign exchange forward contracts and interest rate swaps not designated as hedges are included in cash from operating activities in the Consolidated Statements of Cash Flows. Any cash flows associated with the cross currency basis swaps not designated as hedges are included in investing activities in the Consolidated Statements of Cash Flows except for derivative instruments that include an other-than-insignificant financing element, in which case the cash flows will be classified as financing activities in the Consolidated Statements of Cash Flows.

The following tables summarize the aggregate notional amounts of the Company's economic hedges not designated as hedges by derivative instrument types at December 31, 2016 and the notional amounts expected to mature during the next 12 months:

(in millions)	Aggregate Notional Amount	Aggregate Notional Amount Maturing within 12 Months
Foreign exchange forward contracts	$ 267.2	$ 267.2
Interest rate swaps	1.0	0.8
Total for instruments not designated as hedges	$ 268.2	$ 268.0

The Company had a Swiss franc denominated cross currency basis swaps to offset an intercompany Swiss franc note receivable at a U.S. dollar functional entity. The hedge matured during the second quarter to coincide with the repayment of the note.

The following table summarizes the amounts of gains (losses) recorded in the Company's Consolidated Statements of Operations related to the economic hedges not designated as hedging for the years ended December 31, 2016, 2015 and 2014:

(in millions)	Consolidated Statements of Operations Location	Gain (Loss) Recognized Twelve Months Ended December 31, 2016	2015	2014
Foreign exchange forward contracts (a)	Other expense (income), net	$ (0.6)	$ 6.3	$ 33.2
DIO equity option contracts	Other expense (income), net	—	0.1	—
Cross currency basis swaps (a)	Other expense (income), net	—	(1.8)	(50.2)
Total for instruments not designated as hedges		$ (0.6)	$ 4.6	$ (17.0)

(a) The gains and losses on these derivative transactions offset the gains and losses generated by the revaluation of the underlying non-functional currency balances which are recorded in Other expense (income), net in the Consolidated Statements of Operations.

Consolidated Balance Sheets Location of Derivative Fair Values

The following tables summarize the fair value and consolidated balance sheet location of the Company's derivatives at December 31, 2016 and December 31, 2015:

(in millions)	December 31, 2016			
Designated as Hedges	Prepaid Expenses and Other Current Assets, Net	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 12.8	$ 0.6	$ 1.0	$ —
Interest rate swaps	—	—	0.2	0.3
Total	$ 12.8	$ 0.6	$ 1.2	$ 0.3
Not Designated as Hedges				
Foreign exchange forward contracts	$ 1.3	$ —	$ 1.5	$ —
Total	$ 1.3	$ —	$ 1.5	$ —

(in millions)	December 31, 2015			
Designated as Hedges	Prepaid Expenses and Other Current Assets, Net	Other Noncurrent Assets, Net	Accrued Liabilities	Other Noncurrent Liabilities
Foreign exchange forward contracts	$ 23.0	$ 7.9	$ 6.9	$ 0.4
Commodity contracts	—	—	0.1	—
Interest rate swaps	0.1	—	1.0	0.2
Total	$ 23.1	$ 7.9	$ 8.0	$ 0.6
Not Designated as Hedges				
Foreign exchange forward contracts	$ 5.0	$ —	$ 3.0	$ —
Total	$ 5.0	$ —	$ 3.0	$ —

Balance Sheet Offsetting

Substantially all of the Company's derivative contracts are subject to netting arrangements, whereby the right to offset occurs in the event of default or termination in accordance with the terms of the arrangements with the counterparty. While these contracts contain the enforceable right to offset through netting arrangements with the same counterparty, the Company elects to present them on a gross basis in the Consolidated Balance Sheets.

Offsetting of financial assets and liabilities under netting arrangements at December 31, 2016:

(in millions)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received/Pledged	
Assets						
Foreign exchange forward contracts	$ 14.7	$ —	$ 14.7	$ (2.8)	$ —	$ 11.9
Total Assets	$ 14.7	$ —	$ 14.7	$ (2.8)	$ —	$ 11.9

(in millions)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received/Pledged	
Liabilities						
Foreign exchange forward contracts	$ 2.5	$ —	$ 2.5	$ (2.5)	$ —	$ —
Interest rate swaps	0.5	—	0.5	(0.3)	—	0.2
Total Liabilities	$ 3.0	$ —	$ 3.0	$ (2.8)	$ —	$ 0.2

Offsetting of financial assets and liabilities under netting arrangements at December 31, 2015:

(in millions)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received/Pledged	
Assets						
Foreign exchange forward contracts	$ 35.9	$ —	$ 35.9	$ (7.4)	$ —	$ 28.5
Interest rate swaps	0.1	—	0.1	—	—	0.1
Total Assets	$ 36.0	$ —	$ 36.0	$ (7.4)	$ —	$ 28.6

(in millions)	Gross Amounts Recognized	Gross Amount Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments	Cash Collateral Received/Pledged	
Liabilities						
Foreign exchange forward contracts	$ 10.3	$ —	$ 10.3	$ (6.3)	$ —	$ 4.0
Commodity contracts	0.1	—	0.1	—	—	0.1
Interest rate swaps	1.2	—	1.2	(1.1)	—	0.1
Total Liabilities	$ 11.6	$ —	$ 11.6	$ (7.4)	$ —	$ 4.2

NOTE 18 - FAIR VALUE MEASUREMENT

The Company records financial instruments at fair value with unrealized gains and losses related to certain financial instruments reflected in AOCI in the Consolidated Balance Sheets. In addition, the Company has recognized certain liabilities at fair value. The Company applies the market approach for recurring fair value measurements. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimated the fair value and carrying value of its total long-term debt, including current portion, was $1,525.7 million and $1,522.2 million, respectively, at December 31, 2016. At December 31, 2015, the Company estimated the fair value and carrying value was $1,160.7 million and $1,150.2 million, respectively. The interest rate on the $450.0 million Senior Notes is a fixed rate of 4.1% and the fair value is based on interest rates at December 31, 2016. For additional details on interest rates of long term debt, please see Note 12, Financing Arrangements. The variable interest rate on the Japanese yen term loan is consistent with current market conditions, therefore the fair value approximates the loan's carrying value.

The following tables set forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis at December 31, 2016 and 2015, which are classified as Cash and cash equivalents, Prepaid expenses and other current assets, Other noncurrent assets, net, Accrued liabilities, and Other noncurrent liabilities in the Consolidated Balance Sheets. Financial assets and liabilities that are recorded at fair value as of the balance sheet date are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in millions)	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Assets				
Foreign exchange forward contracts	14.7	—	14.7	—
Total assets	$ 14.7	$ —	$ 14.7	$ —
Liabilities				
Interest rate swaps	$ 0.5	$ —	$ 0.5	$ —
Foreign exchange forward contracts	2.5	—	2.5	—
Contingent considerations on acquisitions	7.6	—	—	7.6
Total liabilities	$ 10.6	$ —	$ 3.0	$ 7.6

(in millions)	December 31, 2015			
	Total	Level 1	Level 2	Level 3
Assets				
Interest rate swaps	$ 0.1	$ —	$ 0.1	$ —
Foreign exchange forward contracts	35.9	—	35.9	—
Total assets	$ 36.0	$ —	$ 36.0	$ —
Liabilities				
Interest rate swaps	$ 1.2	$ —	$ 1.2	$ —
Commodity forward purchase contracts	0.1	—	0.1	—
Foreign exchange forward contracts	10.3	—	10.3	—
Long-term debt	45.1	—	45.1	—
Total liabilities	$ 56.7	$ —	$ 56.7	$ —

Derivative valuations are based on observable inputs to the valuation model including interest rates, foreign currency exchange rates, future commodities prices and credit risks. The Company utilizes commodity contracts, certain interest rates swaps and foreign exchange forward contracts that are considered cash flow hedges. In addition, the Company at times employs certain cross currency interest rate swaps and forward exchange contracts that are considered hedges of net investment in foreign operations. Both types of designated derivative instruments are further discussed in Note 17, Financial Instruments and Derivatives.

The Company's Level 3 liabilities at December 31, 2016 are related to earn-out obligations on prior acquisitions that were assumed as part of the merger with Sirona. The following table presents a reconciliation of the Company's Level 3 holdings measured at fair value on a recurring basis using unobservable inputs:

(in millions)	
Balance, February 29, 2016	$ 7.1
Unrealized gain:	
Reported in Other expense (income), net	0.7
Effect of exchange rate changes	(0.2)
Balance at December 31, 2016	$ 7.6

There were no additional purchases, issuances or transfers of Level 3 financial instruments in 2016 and 2015.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases automobiles machinery, equipment and certain office, warehouse and manufacturing facilities under non-cancelable leases. The leases generally require the Company to pay insurance, taxes and other expenses related to the leased property. Total rental expense for all operating leases was $33.3 million, $30.4 million and $37.4 million for 2016, 2015 and 2014, respectively.

Rental commitments, principally for real estate (exclusive of taxes, insurance and maintenance), automobiles and office equipment are as follows:

(in millions)	
2017	$ 37.0
2018	25.4
2019	19.3
2020	15.7
2021	13.8
2022 and thereafter	26.1
	$ 137.3

Litigation

On June 18, 2004, Marvin Weinstat, DDS and Richard Nathan, DDS filed a class action suit in San Francisco County, California alleging that the Company misrepresented that its Cavitron® ultrasonic scalers are suitable for use in oral surgical procedures. The Complaint sought a recall of the product and refund of its purchase price to dentists who have purchased it for use in oral surgery. The Court certified the case as a class action in June 2006 with respect to the breach of warranty and unfair business practices claims. The certified class is defined as California dental professionals who, at any time during the period beginning June 18, 2000 through September 14, 2012, purchased and used one or more Cavitron® ultrasonic scalers for the performance of oral surgical procedures on their patients, which Cavitrons® were accompanied by Directions for Use that "Indicated" Cavitron® use for "periodontal debridement for all types of periodontal disease." The case went to trial in September 2013, and on January 22, 2014, the San Francisco Superior Court issued its decision in the Company's favor, rejecting all of the plaintiffs' claims. The plaintiffs have appealed the Superior Court's decision, and the appeal is now pending. The Company is defending against this appeal.

On December 12, 2006, Carole Hildebrand, DDS, and Robert Jaffin, DDS, filed a Complaint in the Eastern District of Pennsylvania (the Plaintiffs subsequently added Dr. Mitchell Goldman as a named class representative). The same law firm that filed the Weinstat case in California filed this case. The Complaint asserts putative class action claims on behalf of dentists located in New Jersey and Pennsylvania. The Complaint asserts that the Company's Cavitron® ultrasonic scaler was negligently designed and sold in breach of contract and warranty arising from alleged misrepresentations about the potential uses of the product because the Company cannot assure the delivery of potable or sterile water through the device. The Court granted the Company's Motion for Dismissal of the case for lack of jurisdiction. Following that dismissal, the plaintiffs filed a second complaint under the name of Dr. Hildebrand's corporate practice, Center City Periodontists, asserting the same allegations. The plaintiffs moved to have the case certified as a class action and the Company objected. The Court granted the Company's Motion to Dismiss plaintiffs' New Jersey Consumer Fraud and negligent design claims, leaving only a breach of express warranty claim. The Court subsequently denied the Company's Motion for Summary Judgment on the express warranty claim. The Court held hearings during 2016 on plaintiffs' class certification motion. The Court has not scheduled further hearings in the matter and the Company is awaiting a ruling on the class certification motion by the Court.

On January 20, 2014, the Company was served with a *qui tam* complaint filed by two former and one current employee of the Company under the Federal False Claims Act and equivalent state and city laws. The lawsuit was previously under seal in the U.S. District Court for the Eastern District of Pennsylvania. The complaint alleges, among other things, that the Company engaged in various illegal marketing activities, and thereby caused dental and other healthcare professionals to file false claims for reimbursement with federal and state governments. The relators seek injunctive relief, fines, treble damages, and attorneys' fees and costs. On January 27, 2014, the United States filed with the Court a notice that it had elected not to intervene in the *qui tam* action at this time. The United States' notice indicated that the named state and city co-plaintiffs had authorized the United States to communicate to the Court that they also had decided not to intervene at this time. These non-intervention decisions do not prevent the *qui tam* relators from litigating this action, and the United States and/or the named states and/or cities may seek to intervene in the action at a later time. On September 4, 2014, the Company's motion to dismiss the complaint was granted in part and denied in part. The Company filed a motion for summary judgment in December 2015. In April 2016, the Court granted the Company's motion for summary judgment, which disposes of all remaining claims against the Company in the matter. The plaintiffs filed a notice of appeal in May 2016 and the matter has been assigned by the Court of Appeals for mediation. The Company will continue to vigorously defend itself.

The Company does not believe a loss is probable related to the above litigation. Further, a reasonable estimate of a possible range of loss cannot be made. In the event that one or more of these matters is unfavorably resolved, it is possible the Company's results from operations, financial position or liquidity could be materially impacted.

In 2012, the Company received subpoenas from the U. S. Attorney's Office for the Southern District of Indiana (the "USAO") and from the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") requesting documents and information related to compliance with export controls and economic sanctions regulations by certain of its subsidiaries. The Company has voluntarily contacted OFAC and the Bureau of Industry and Security of the U. S. Department of Commerce ("BIS"), in connection with these matters as well as regarding compliance with export controls and economic sanctions regulations by certain other business units of the Company identified in connection with an internal review by the Company. On September 1, 2016, the Company entered into an extension of the tolling agreement originally entered into in August 2014, such that the statute of limitations is now tolled until May 1, 2017. The Company is cooperating with the USAO, OFAC and BIS with respect to these matters.

At this stage of the inquiries, the Company is unable to predict the ultimate outcome of these matters or what impact, if any, the outcome of these matters might have on the Company's consolidated financial position, results of operations or cash flows. Violations of export control or economic sanctions laws or regulations could result in a range of governmental enforcement actions, including fines or penalties, injunctions and/or criminal or other civil proceedings, which actions could have a material adverse effect on the Company's reputation, business, financial condition and results of operations. At this time, no claims have been made against the Company.

In addition to the matters disclosed above, the Company is, from time to time, subject to a variety of litigation and similar proceedings incidental to its business. These legal matters primarily involve claims for damages arising out of the use of the Company's products and services and claims relating to intellectual property matters including patent infringement, employment matters, tax matters, commercial disputes, competition and sales and trading practices, personal injury and insurance coverage. 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 the Company's experience, current information and applicable law, it does not believe that these proceedings and claims will have a material adverse effect on its consolidated results of operations, financial position or liquidity. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or liquidity.

While the Company maintains general, product, property, workers' compensation, automobile, cargo, aviation, crime, fiduciary and directors' and officers' liability insurance up to certain limits that cover certain of these claims, this insurance may be insufficient or unavailable to cover such losses. In addition, while the Company believes it is entitled to indemnification from third parties for some of these claims, these rights may also be insufficient or unavailable to cover such losses.

Purchase and Other Commitments

From time to time, the Company enters into long-term inventory purchase commitments with minimum purchase requirements for raw materials and finished goods to ensure the availability of products for production and distribution. These commitments may have a significant impact on levels of inventory maintained by the Company.

NOTE 20 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

DENTSPLY SIRONA INC.
Quarterly Financial Information (Unaudited)
(in millions, except per share amounts)

	First Quarter (a)	Second Quarter	Third Quarter	Fourth Quarter	Rounding and Other(b)	Total Year
2016						
Net sales	$ 772.6	$ 1,022.0	$ 954.2	$ 996.5	$ —	$ 3,745.3
Gross profit	418.9	526.9	513.6	541.5	—	2,000.9
Operating income	72.7	121.2	126.6	134.2	—	454.7
Net income attributable to						
Dentsply Sirona	125.0	105.4	92.5	107.0	—	429.9
Earnings per common share - basic	$ 0.72	$ 0.45	$ 0.40	$ 0.46	$ (0.06)	$ 1.97
Earnings per common share - diluted	$ 0.70	$ 0.44	$ 0.39	$ 0.46	$ (0.05)	$ 1.94
Cash dividends declared per common share	$ 0.0775	$ 0.0775	$ 0.0775	$ 0.0775	$ —	$ 0.3100
2015						
Net sales	$ 656.3	$ 698.0	$ 648.9	$ 671.1	$ —	$ 2,674.3
Gross profit	373.4	399.7	369.4	374.7	—	1,517.2
Operating income	97.7	85.8	98.6	93.1	—	375.2
Net income attributable to						
Dentsply Sirona	64.0	44.1	84.5	58.6	—	251.2
Earnings per common share - basic	$ 0.46	$ 0.32	$ 0.60	$ 0.42	$ (0.01)	$ 1.79
Earnings per common share - diluted	$ 0.45	$ 0.31	$ 0.59	$ 0.41	$ —	$ 1.76
Cash dividends declared per common share	$ 0.0725	$ 0.0725	$ 0.0725	$ 0.0725	$ —	$ 0.2900

(a) Includes the results of operations for Sirona for the period February 29, 2016 through March 31, 2016
(b) During the March 31, 2016 quarter, the Company issued 101.8 million shares related to the Merger. As a result, the calculation of the weighted average share count was lower in the March 31, 2016 quarter as compared to the weighted average share count for the year ended December 31, 2016.

SIGNATURES

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

DENTSPLY SIRONA INC.

By: */s/* *Jeffrey T. Slovin*
Jeffrey T. Slovin
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

/s/	*Jeffrey T. Slovin*	March 1, 2017
	Jeffrey T. Slovin Chief Executive Officer and Director (Principal Executive Officer)	Date
/s/	*Ulrich Michel*	March 1, 2017
	Ulrich Michel Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	Date
/s/	*Bret W. Wise*	March 1, 2017
	Bret W. Wise Chairman of the Board of Directors	Date
/s/	*Dr. Michael C. Alfano*	March 1, 2017
	Dr. Michael C. Alfano Director	Date
/s/	*David K. Beecken*	March 1, 2017
	David K. Beecken Director	Date
/s/	*Eric K. Brandt*	March 1, 2017
	Eric K. Brandt Director	Date
/s/	*Michael J. Coleman*	March 1, 2017
	Michael J. Coleman Director	Date
/s/	*Willie A. Deese*	March 1, 2017
	Willie A. Deese Director	Date

/s/	*Harry M. Jansen Kraemer, Jr.*	March 1, 2017
	Harry M. Jansen Kraemer, Jr. Director	Date
/s/	*Thomas Jetter*	March 1, 2017
	Thomas Jetter Director	Date
/s/	*Arthur D. Kowaloff*	March 1, 2017
	Arthur D. Kowaloff Director	Date
/s/	*Francis J. Lunger*	March 1, 2017
	Francis J. Lunger Director	Date

Exhibit 3.1

SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF DENTSPLY INTERNATIONAL INC.

The present name of the corporation is DENTSPLY International Inc. (the "Corporation"). The name under which the Corporation was originally incorporated is Gendex Corporation. The date of filing of the Corporation's original Certificate of Incorporation with the Secretary of State of the State of Delaware was February 15, 1983. The Corporation's Amended and Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware and it amended and restated the provisions of the Certificate of Incorporation of the Corporation. The date of filing of the Corporation's Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware was July 11, 2013.

This Second Amended and Restated Certificate of Incorporation of the Corporation, which restates and integrates and also further amends the provisions of the Corporation's Amended and Restated Certificate of Incorporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware.

The Amended and Restated Certificate of Incorporation is hereby amended, integrated and restated to read in its entirety as follows:

1. The name of the corporation is DENTSPLY SIRONA Inc.

2. The address of its registered office in the State of Delaware is Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, County of New Castle, Delaware 19808. The name of the registered agent at such address is The Corporation Service Company.

3. The nature and business or purposes to be conducted or promoted is: To engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the state of Delaware.

4A. Number of Shares and Classes. The aggregate number of shares of stock which the Corporation shall have authority to issue is Four Hundred Million Two Hundred Fifty Thousand (400,250,000) shares, which shall be divided into two classes as follows:

(1) Four Hundred Million (400,000,000) shares of Common Stock, par value One Cent ($.01) per share; and

(2) Two Hundred Fifty Thousand (250,000) shares of Preferred Stock, par value One Dollar ($1.00) per share.

4B. Preferred Stock. The Corporation's board of directors is hereby expressly authorized to provide by resolution or resolutions from time to time for the issue of the Preferred Stock in one or more series, the shares of each of which series may have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights, and qualification, limitations or restrictions thereof, as shall be permitted under the General Corporation Law of the State of Delaware and as shall be stated in the resolution or resolutions providing for the issue of such stock adopted by the board of directors pursuant to the authority expressly vested in the board of directors hereby.

4C. Common Stock.

(1) Voting. Except as otherwise required by the General Corporation Law of the State of Delaware, this Second Amended and Restated Certificate of Incorporation or any series of Preferred Stock designated by the board of directors, all of the voting power of the Corporation shall be vested in the holders of the Common Stock and each holder of the Common Stock shall have one (1) vote for each share of such Common Stock held by him of record on all matters voted upon by the Stockholders.

(2) Dividends. Subject to the terms of any series of Preferred Stock, the board of directors of the Corporation may declare a dividend on the Common Stock out of the remaining unreserved and unrestricted surplus of the Corporation, and the holders of the Common Stock shall share ratably in such dividend in proportion to the number of shares of such Common Stock held by each.

(3) Liquidation. Except as otherwise required by any series of Preferred Stock designated by the board of directors, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after distribution in full of the preferential amounts to be distributed to the holders of any series of Preferred Stock, the remaining assets of the Corporation shall be distributed ratably among the holders of the Common Stock in proportion to the number of shares of such Common Stock held by each.

5. The business and affairs of the Corporation shall be managed by or under the direction of a board of directors consisting of such number of directors as is determined from time to time by resolution adopted by affirmative vote of a majority of the entire board of directors or such higher vote as may be required by the Corporation's by-laws; provided, however, that in no event shall the number of directors be less than three (3) nor more than thirteen (13). Any additional director elected to fill a vacancy resulting from an increase in the number of directors shall hold office until the next annual meeting of stockholders, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, incapacitation or removal from office. Except as otherwise required by law, any newly created directorship shall be filled only by the affirmative vote of a majority of the board of directors then in office or such higher vote as may be required by the Corporation's by-laws, provided that a quorum is present, and any vacancy occurring in the board of directors shall be filled by a majority of the directors then in office or such higher vote as may be required by the Corporation's by-laws, even if less than a quorum, or by a sole remaining director.

6. The Corporation is to have perpetual existence.

7. Notwithstanding any other provision of this Second Amended and Restated Certificate of Incorporation or the Corporation's by-laws (and notwithstanding the fact that some lesser percentage may be specified by law, this Second Amended and Restated Certificate of Incorporation or the Corporation's by-laws), the Corporation's by-laws may be amended, altered or repealed, and new by-laws enacted, only by the affirmative vote of not less than two-thirds (2/3) in voting power of the outstanding shares of capital stock of the Corporation entitled to vote at a meeting of stockholders duly called for such purpose, or by a vote of not less than a majority of the entire board of directors then in office; provided that, during the period beginning at the Effective Time (as defined in the Agreement and Plan of Merger, dated as of September 15, 2015, among the Corporation, Sirona Dental Systems, Inc., and Dawkins Merger Sub Inc.) and ending on the third (3rd) anniversary of the Effective Time, the provisions of Article VII of the Corporation's by-laws may be modified, amended or repealed by the board of directors, and any by-law provision or other resolution inconsistent with Article VII of the Corporation's by-laws may be adopted by the board of directors, only by an affirmative vote of the greater of (i) at least seventy percent (70%) of the entire board of directors and (ii) eight (8) directors.

8. Elections of directors need not be by written ballot unless the by-laws of the Corporation shall so provide.

9. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived any improper personal benefit. If the General Corporation Law of the State of Delaware is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended. No repeal or modification of this Section 9 shall adversely affect any right of or protection afforded to a director prior to such repeal or modification.

10. The stockholders of the Corporation shall have no authority to call a special meeting of the stockholders.

11. No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of the stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

IN WITNESS WHEREOF, the undersigned has executed this Second Amended and Restated Certificate of Incorporation on this 29th day of February, 2016.

DENTSPLY International Inc.

By: /s/ Christopher T. Clark

Name: Christopher T. Clark

Title: President and Chief Operating Officer, Technologies

Exhibit 3.2

DENTSPLY SIRONA INC.

THIRD AMENDED AND RESTATED BY-LAWS

BY-LAWS INDEX

TABLE OF CONTENTS

PAGE

THIRD AMENDED AND RESTATED BY-LAWS

OF

DENTSPLY SIRONA INC.

(formerly DENTSPLY International Inc.)

ARTICLE I

STOCKHOLDERS' MEETINGS

Section 1. **Annual Meetings.**

The annual meeting of the stockholders, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting, shall be held on such date and at such time as shall be designated from time to time by the Board of Directors. The corporation may postpone, reschedule or cancel any annual meeting previously called by the Board of Directors.

Section 2. **Special Meetings.**

Subject to the rights of the holders of any class or series of capital stock having a preference over the common stock as to dividends or upon liquidation, special meetings of stockholders of the corporation may be called only upon the request of the Chairman of the Board or the Chief Executive Officer and approved by a resolution adopted by the Board of Directors. The corporation may postpone, reschedule or cancel any special meeting previously called by the Board of Directors.

Section 3. **Place of Meeting.**

The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting, or for any special meeting called pursuant to ARTICLE I, Section 2, above. If no designation is made, or if a special meeting shall be otherwise called, the place of meeting shall be the principal office of the corporation.

Section 4. **Notice of Meeting.**

Written notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting. If mailed, such notice

shall be deemed to be delivered when deposited in the United States mail, addressed to the stockholder at his address as it appears on the stock record books of the corporation, with postage thereon prepaid.

Section 5. **Fixing of Record Date.**

(a) For the purpose of determining stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors of the corporation may fix a record date for any such determination of stockholders, such date in any case not to precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, be not more than sixty (60) nor less than ten (10) days prior to the date of any proposed meeting of stockholders. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting. When a determination of stockholders entitled to vote at any meeting of stockholders has been made as provided in this Section, such determination shall be applied to any adjournment thereof.

(b) For the purpose of determining stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or in order to make a determination of stockholders for any other lawful purpose, the Board of Directors of the corporation may fix a date as the record date for any such determination of stockholders, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action.

Section 6. **Quorum; Adjournments**.

A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of stockholders. Provided that a meeting has been duly convened in accordance herewith, any meeting of the stockholders may be adjourned by the chairman of the meeting from time to time without further notice. Any adjourned meeting may reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each

stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 7. **Proxies**.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the corporation a revocation of the proxy or a new proxy bearing a later date.

Section 8. **Voting of Shares**.

At each meeting of stockholders, every stockholder entitled to vote thereat shall be entitled to vote in person or by a duly authorized proxy, which proxy may be appointed by an instrument in writing executed by such stockholder or his duly authorized attorney or through electronic means, if applicable, such as the internet. Subject to the provisions of applicable law and the corporation's Certificate of Incorporation, each holder of common stock shall be entitled to one (1) vote for each share of stock standing registered in his name at the close of business on the day fixed by the Board of Directors as the record date for the determination of the stockholders entitled to vote at such meeting.

Section 9. **List of Stockholders**.

The officer who has charge of the stock ledger shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the corporation. If the meeting is to be held at a place, then a list of

stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 9 or to vote in person or by proxy at any meeting of stockholders.

Section 10. **Waiver of Notice by Stockholders**.

Whenever any notice whatever is required to be given to any stockholder of the corporation under the provisions of these By-laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing or by electronic transmission, whether before or after the time of meeting, by the stockholder entitled to such notice, shall be deemed equivalent to the giving of such notice.

Section 11. **Advance Notice of Stockholder-Proposed Business at Annual Meetings**.

No business (other than nominations for election to the Board of Directors, which must comply with the provisions of Section 12 or Section 12a of ARTICLE I of these By-laws, as applicable) may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the annual meeting by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 11 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 11.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder’s notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting

of stockholders; provided, however, that in the event that the annual meeting is called for a date that is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the ninetieth (90th) day prior to the annual meeting or, if later, the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom, (ii) the name and record address of such stockholder, (iii) as to the stockholder giving the notice and any Stockholder Associated Person, (A) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (B) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, and (C) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation; (iv) as to the stockholder giving the notice and any Stockholder Associated Person covered by clause (iii) of this paragraph, the name and address of such stockholder, as they appear on the corporation's stock ledger, and current name and address, if different, and of such Stockholder Associated Person; (v) a description of all proxy, contract, arrangement, understanding, or relationship between such stockholder and any other person or persons (including their names) in connection with the proposal of such business by such stockholder; and (vi) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

Notwithstanding anything in these By-laws to the contrary, no business (other than nominations for election to the Board of Directors, which must comply with the provisions of Section 12 or Section 12a of ARTICLE I of these By-laws, as applicable) shall be conducted at the annual meeting

except business brought before the annual meeting in accordance with the procedures set forth in this Section 11; provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 11 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

For purposes of this Section 11 and of Section 12 of this ARTICLE I, "Stockholder Associated Person" of any stockholder shall mean (i) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (ii) any beneficial owner of shares of stock of the corporation owned of record or beneficially by such stockholder and (iii) any person controlling, controlled by or under common control with such Stockholder Associated Person.

Section 12. **Procedure for Nomination of Directors**.

Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation, except as may be otherwise provided in Section 12a of ARTICLE I these By-laws or the Certificate of Incorporation with respect to the right of holders of preferred stock of the corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) subject to ARTICLE VII of these By-laws, by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 12 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting and (ii) who complies with the notice procedures set forth in this Section 12, (c) by any stockholder of the corporation who complies with the requirements of Section 12a of ARTICLE I of these By-laws.

In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the corporation (a) in the case of an annual meeting, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the

annual meeting is called for a date that is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the close of business on the ninetieth (90th) day prior to the annual meeting or, if later, the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth (a) as to each person whom the stockholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person and (iv) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder; and (b) as to the stockholder giving the notice and any Stockholder Associated Person, (i) the name and record address of such stockholder, (ii) the class, series and number of all shares of stock of the corporation which are owned by such stockholder and by such Stockholder Associated Person, if any, (iii) the nominee holder for, and number of, shares owned beneficially but not of record by such stockholder and by any such Stockholder Associated Person, (iv) any derivative positions held or beneficially held by the stockholder and by any such Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, such stockholder or any such Stockholder Associated Person with respect to any share of stock of the corporation, (v) a description of all arrangements or understandings between such stockholder or any such Stockholder Associated Person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (vi) as to the stockholder giving the notice, a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice and (vii) any other information relating to the stockholder giving the notice that would be required to be disclosed in a proxy statement or other filings required to be made in

connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this Section 12 or in Section 12a of ARTICLE I of these By-laws. If the Chairman of the meeting determines that a nomination was not made in accordance with such procedures, the Chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 12a. Stockholder Nominations Included in the Corporation's Proxy Statement

. (a) Subject to the provisions of this Section 12a, the corporation will include in its proxy statement and on its form of proxy and ballot for an annual meeting of stockholders at which directors are to be elected, the name of any nominee for election to the Board of Directors submitted for inclusion in the corporation's proxy materials (a "Stockholder Nominee") by an Eligible Stockholder (as defined below), and will include in its proxy statement the Required Information (as defined below), if:

(i) the Stockholder Nominee is identified in a timely notice (the "Proxy Access Notice") that satisfies this Section 12a and is delivered by a stockholder that qualifies as, or is acting on behalf of, an Eligible Stockholder;

(ii) the Eligible Stockholder expressly elects at the time of the delivery of the Proxy Access Notice to have the Stockholder Nominee included in the corporation's proxy materials pursuant to this Section 12a; and

(iii) the additional requirements of these Bylaws are met.

(a) To qualify as an "Eligible Stockholder," a stockholder, or a group of stockholders as described in Section 12a(c) hereof, must:

(i) as of the date of the Proxy Access Notice, own and have owned (as defined below), continuously for at least three years, a number of shares that represents at least 3% of the outstanding shares of common stock of the corporation that are entitled to vote in the election of directors (the "Required Shares"); and

(ii) thereafter continue to own the Required Shares through the annual meeting of stockholders.

(b) For purposes of satisfying the ownership requirements of Section 12a(b) hereof: (i) a group of no more than 20 stockholders and/or beneficial owners may aggregate the number of shares of common stock that each group member has owned continuously for at least three years as of the date of the Proxy Access Notice; (ii) two or more funds that are (A) under common management and investment control, (B) under common management and funded primarily by a single employer or (C) a "group of investment companies" as defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of

1940, as amended, shall be treated as one stockholder or beneficial owner, (iii) no shares may be attributed to more than one Eligible Stockholder and (iv) no stockholder or beneficial owner, individually or as a member of a group, may qualify as more than one Eligible Stockholder. Whenever an Eligible Stockholder consists of a group of stockholders and/or beneficial owners, all requirements and obligations for an Eligible Stockholder set forth in this Section 12a must be satisfied by and with respect to each such stockholder or beneficial owner, except that shares may be aggregated as specified in this Section 12a(c) and except as otherwise provided in this Section 12a.

(c) For purposes of this Section 12a:

(i) An Eligible Stockholder "owns" only those outstanding shares of common stock of the corporation in which such person has both (A) the full voting and investment rights and (B) the full economic interest (including the opportunity for profit and risk of loss); provided that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares (1) purchased or sold by such person or any of its affiliates in any transaction that has not been settled or closed, (2) sold short by such person, (3) borrowed by such person or any of its affiliates for any purposes or purchased by such person or any of its affiliates pursuant to an agreement to resell or (4) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement, arrangement, understanding or relationship entered into by such person or any of its affiliates that has or is intended to have the purpose or effect of (x) reducing in any manner, to any extent or at any time in the future, such person's or any of its affiliates' full right to vote or direct the voting of any such shares and/or (y) hedging, offsetting or altering to any degree any gain or loss arising from the full economic ownership of such shares by such person or any of its affiliates. The terms "owned," "ownership" and other variations of the word "own" shall have corresponding meanings. The term "affiliate" shall have the meaning specified in the rules and regulations under the Exchange Act.

(ii) An Eligible Stockholder "owns" shares held in the name of a nominee or other intermediary as long as the person retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. The person's ownership of shares shall be deemed to continue during any period in which the person has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement that is revocable at any time by the person.

(iii) An Eligible Stockholder's ownership of shares shall be deemed to continue during any period in which the person has loaned such shares, provided that the person has the power to recall the loaned shares on no more than five business days' notice, has recalled such loaned shares as of the date of the Proxy Access Notice and such shares remain recalled and otherwise owned through the date of the annual meeting.

(iv) The Board of Directors shall determine whether any outstanding shares of the corporation's common stock are "owned" for purposes of this Section 12a.

(d) For purposes of this Section 12a, the "Required Information" that the corporation will include in its proxy statement is:

(i) the information concerning each Stockholder Nominee and the Eligible Stockholder that the corporation determines is required to be disclosed in the

corporation's proxy statement by the rules or regulations of the Securities and Exchange Commission or other applicable law, regulation or listing standard.

(ii) if the Eligible Stockholder so elects, a written statement of the Eligible Stockholder (or, in the case of a group, a written statement of the group), not to exceed 500 words per Stockholder Nominee, in support of the Eligible Stockholder's Stockholder Nominee(s), which must be provided at the same time as the Proxy Access Notice for inclusion in the corporation's proxy statement for the annual meeting (the "Supporting Statement"); and

(iii) any other information that the corporation determines in its discretion to include in the proxy materials relating to any Eligible Stockholder or Stockholder Nominee, including without limitation any statements in opposition to the nomination of a Stockholder Nominee or any information provided pursuant to this Section 12a.

Notwithstanding anything to the contrary contained in this Section 12a, the corporation may omit from its proxy materials any information or Supporting Statement if the Board of Directors determines that such information (A) is untrue in any material respect or omits a material fact necessary to make the statements made not misleading, (B) directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations by, any person or entity without factual foundation or (C) would violate any applicable law, rule, regulation or listing standard.

The corporation may solicit against any Stockholder Nominee and include in its proxy materials its own statements relating to any Stockholder Nominee or Eligible Stockholder.

(e) The Proxy Access Notice shall include all of the following information, representations and agreements:

(i) the information required under ARTICLE I, Section 12, para. 4 of these Bylaws in connection with the nomination of directors;

(ii) a copy of the Schedule 14N that has been or is concurrently filed with the Securities and Exchange Commission under the Exchange Act;

(iii) a statement of the Eligible Stockholder (and in the case of a group, the statement of each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder) (A) setting forth and certifying to the number of shares of common stock the Eligible Stockholder owns and has owned (as defined in Section 12a(d) hereof) continuously for at least three years as of the date of the Proxy Access Notice and (B) agreeing to continue to own such shares through the date of the annual meeting;

(iv) a representation and warranty that each Stockholder Nominee:

(A) does not have any direct or indirect relationship with the corporation and would qualify as an independent director under the rules of the NASDAQ Stock Market LLC and any applicable rules or regulations of the Securities and Exchange Commission;

(B) would qualify as independent under the audit committee and compensation committee independence requirements of the principal stock exchange on which the corporation's common stock is listed;

(C) would qualify as a "Non-Employee Director" under Rule 16b-3 of the Exchange Act (or any successor rule);

(D) would qualify as an "outside director" for purposes of Section 162(m) of the Internal Revenue Code (or any successor provision);

(E) is not, and has not been within the past three years, an officer, director or key employee of any competitor of the corporation, which means for purposes of this clause (E), any entity that offers products or services that compete with products or services provided by the corporation; and

(F) is not and has not been subject to any event specified in Rule 506(d) of Regulation D (or any successor rule) under the Securities Act of 1933 or Item 401(f) of Regulation S-K (or any successor rule) under the Exchange Act,.

(v) the written agreement of the Eligible Stockholder (and in the case of a group, the written agreement of each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder) addressed to the corporation, setting forth the following additional agreements, representations and warranties:

(A) it will provide (1) the information required under ARTICLE I, Section 12, para. 4 of these Bylaws as of the record date, (2) notification in writing verifying the Eligible Stockholder's continuous ownership of the Required Shares as of the record date and (3) immediate notice to the corporation if the Eligible Stockholder ceases to own any of the Required Shares prior to the annual meeting of stockholders;

(B) it (1) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control of the corporation and does not presently have any such intent, (2) has not nominated and will not nominate for election to the Board of Directors at the annual meeting any person other than the Stockholder Nominee(s) the Eligible Stockholder is requesting be included in the corporation's proxy materials pursuant to this Section 12a, (3) has not engaged and will not engage in, and has not been and will not be a participant in, a solicitation within the meaning of Exchange Act Rule 14a-1(l) (without regard to the exception in Rule 14a-1(l)(2)(iv)), in support of the election of any individual as a director at the annual meeting other than its Stockholder Nominee or a nominee of the Board of Directors, and (4) will not distribute to any stockholder any form of proxy for the annual meeting other than the form distributed by the corporation; and

(C) it will (jointly with all other group members if the Eligible Stockholder is a group) (1) assume all liability resulting from any legal or regulatory violation arising out of or relating to any communications by the Eligible Stockholder or any of its Stockholder Nominees with the corporation or its stockholders or any information that the Eligible Stockholder or any of its Stockholder Nominees provides to the corporation in connection with the Eligible Stockholder's efforts to elect its

Stockholder Nominees pursuant to this Section 12a, (2) indemnify and hold harmless the corporation and each of its directors, officers and employees individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) incurred in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the corporation or any of its directors, officers or employees arising out of or relating to any communications by the Eligible Stockholder or any of its Stockholder Nominees with the corporation or its stockholders or any information that the Eligible Stockholder or any of its Stockholder Nominees provides to the corporation in connection with the Eligible Stockholder's efforts to elect its Stockholder Nominees pursuant to this Section 12a, (3) comply with all laws, rules, regulations and listing standards applicable to any solicitation in connection with the annual meeting, (4) file with the Securities and Exchange Commission any solicitation materials by or on behalf of the Eligible Stockholder relating to the annual meeting of stockholders, any of the corporation's directors or director nominees or any Stockholder Nominee, regardless of whether any such filing is required by rule or regulation or whether any exemption from filing is available under any rule or regulation, and (5) provide to the corporation prior to the day of the annual meeting any additional information reasonably requested by the corporation.

(vi) in the case of a nomination by a group of stockholders that constitutes an Eligible Stockholder, the designation by all group members of one group member that is authorized to act on behalf of all members of the group with respect to the nomination and related matters, including withdrawal of the nomination.

(f) To be timely under this Section 12a, the Proxy Access Notice must be received at the principal executive offices of the corporation not less than 120 days nor more than 150 days prior to the first anniversary of the date (as stated in the corporation's proxy materials) the definitive proxy statement was first mailed to stockholders in connection with the immediately preceding year's annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, the Proxy Access Notice, in order to be timely, must be received not later than the close of business on the tenth day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the annual meeting was made, whichever occurs first. In no event shall an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a Proxy Access Notice pursuant to this Section 12a. A Proxy Access Notice shall be deemed submitted on the date on which all the information and documents required by this Section 12a (other than information and documents contemplated to be provided after the date the Proxy Access Notice is received) have been received by the corporation at its principal executive offices.

(g) An Eligible Stockholder (or in the case of a group, each stockholder or beneficial owner whose shares are aggregated for purposes of constituting an Eligible Stockholder) must:

(i) within five business days after the date of the Proxy Access Notice, provide one or more written statements from the record holder(s) of the Required Shares and from each intermediary through which the Required Shares are or have been held, in each case during the requisite three-year holding period, verifying that the Eligible Stockholder owns and has continuously owned the Required Shares in compliance with this Section 12a;

(ii) within five business days after the record date for the annual meeting, provide one or more written statements from such record holders and intermediaries verifying the Eligible Stockholder's continuous ownership of the Required Shares through the record date;

(iii) prior to the commencement of the annual meeting, provide one or more written statements from such record holders and intermediaries verifying the Eligible Stockholder's continuous ownership of the Required Shares through the date that is five business days prior to the date of the annual meeting; and

(iv) in the case of any group of funds whose shares are aggregated for purposes of constituting an Eligible Stockholder, within five business days after the date of the Proxy Access Notice, provide to the corporation documentation reasonably satisfactory to the corporation demonstrating that the funds are under common management and investment control.

(h) Within the time period for delivery of the Proxy Access Notice, a Stockholder Nominee must deliver to the corporation at the principal executive offices of the corporation an executed agreement by the Stockholder Nominee (1) to provide to the corporation such information, including completion of the corporation's director nominee questionnaire, as the Board of Directors or its designee, acting in good faith, may request; (2) that the Stockholder Nominee consents to being named in the corporation's proxy statement and form of proxy as a nominee and agrees, if elected, to serve as a member of the Board of Directors and to adhere to the Corporation's Corporate Governance Guidelines, Code of Business Conduct and any other Corporation policies and guidelines applicable to directors; and (3) that the Stockholder Nominee is not and will not become a party to (a) any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity in connection with such person's nomination, candidacy, service or action as director of the corporation that has not been fully disclosed to the corporation prior to or concurrently with the Nominating Stockholder's submission of the Proxy Access Notice, (b) any agreement, arrangement or understanding with any person or entity as to how the Stockholder Nominee would vote or act on any issue or question as a director (a "Voting Commitment") that has not been fully disclosed to the Corporation prior to or concurrently with the Nominating Stockholder's submission of the Proxy Access Notice or (c) any Voting Commitment that could limit or interfere with the Nominee's ability to comply, if elected as a director of the Corporation, with his or her fiduciary duties under applicable law.

(i) In the event that any information or communications provided by the Eligible Stockholder or any Stockholder Nominee to the corporation or its stockholders is not, when

provided, or thereafter ceases to be, true, correct and complete in all material respects (including by omitting a material fact necessary to make the statements made not misleading), such Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the corporation and provide the information that is required to make such information or communication true, correct, complete and not misleading; provided that giving any such notification shall not be deemed to cure any defect or limit the corporation's right to omit a Stockholder Nominee from its proxy materials as provided in this Section 12a.

(j) Notwithstanding anything to the contrary contained in this Section 12a, the corporation may omit from its proxy materials any Stockholder Nominee, and such nomination shall be disregarded and no vote on such Stockholder Nominee will occur, notwithstanding that proxies in respect of such vote may have been received by the corporation, if:

(i) the corporation receives notice (whether or not subsequently withdrawn) that a stockholder intends to nominate any candidate for election to the Board of Directors pursuant to the advance notice requirements for stockholder nominees for director in ARTICLE I, Section 12 of these Bylaws;

(ii) the Eligible Stockholder or Stockholder Nominee breaches any of its agreements, representations or warranties set forth in the Proxy Access Notice (or otherwise submitted pursuant to this Section 12a) in any material respect, any of the information in the Proxy Access Notice (or otherwise submitted pursuant to this Section 12a) was not, when provided, true, correct and complete in all material respects, or the Eligible Stockholder or Stockholder Nominee otherwise fails to comply with the requirements of this Section 12a in any material respect; or

(iii) the Eligible Stockholder (or a duly authorized representative of the Eligible Stockholder) does not appear at the annual meeting of stockholders to present the nomination submitted pursuant to this Section 12a.

An Eligible Stockholder may not cure any defect preventing the nomination of a Stockholder Nominee after the last day on which a Proxy Access Notice would be timely.

(k) The maximum number of Stockholder Nominees submitted by all Eligible Stockholders that may be included in the corporation's proxy materials with respect to an annual meeting of stockholders pursuant to this Section 12a shall not exceed the greater of two or the largest whole number that does not exceed 20% of the total number of directors in office as of the last day on which a Proxy Access Notice may be timely delivered pursuant to this Section 12a with respect to the annual meeting; provided that the maximum number shall be reduced by (i) any Stockholder Nominee whose name was submitted for inclusion in the corporation's proxy materials pursuant to this Section 12a but whom the Board of Directors decides to nominate as a Board of Directors nominee, (ii) any directors in office or director nominees who in either case will be included in the corporation's proxy materials for the annual meeting as an unopposed (by the corporation) nominee pursuant to an agreement, arrangement or other understanding between

the corporation and a stockholder or group of stockholders (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of capital stock from the corporation by such stockholder or group of stockholders), and (iii) any nominees who were previously elected to the Board of Directors as Stockholder Nominees at any of the preceding two annual meetings and who are nominated for election at the annual meeting by the Board of Directors as a Board of Directors nominee. In the event that one or more vacancies occurs for any reason after the date of the Proxy Access Notice but before the annual meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the maximum number shall be calculated based on the number of directors in office as so reduced. In the event that the number of Stockholder Nominees submitted by Eligible Stockholders pursuant to this Section 12a exceeds the maximum number, the corporation shall determine which Stockholder Nominees shall be included in the corporation's proxy materials in accordance with the following provisions: each Eligible Stockholder will select one Stockholder Nominee for inclusion in the corporation's proxy materials until the maximum number is reached, selecting in order of the amount (largest to smallest) of shares of the corporation each Eligible Stockholder disclosed as owned in its Proxy Access Notice submitted to the corporation. If the maximum number is not reached after each Eligible Stockholder has selected one Stockholder Nominee, the selection process will continue as many times as necessary, following the same order each time, until the maximum number is reached.

(l) Any Stockholder Nominee who is included in the corporation's proxy materials for an annual meeting of stockholders but either (i) withdraws from or becomes ineligible or unavailable for election at the annual meeting for any reason, or (ii) receives a vote of less than 25% of the shares of common stock represented at the annual meeting in person or by proxy and entitled to vote in the election of directors, will be ineligible to be a Stockholder Nominee pursuant to this Section 12a for the next two annual meetings.

(m) The Board of Directors (and any other person or body authorized by the Board of Directors) shall have the power and authority to interpret this Section 12a and to make any and all determinations necessary or advisable to apply this Section 12a to any persons, facts or circumstances, in each case acting in good faith. Any such determination shall be final and binding on the corporation, any Eligible Stockholder, any Stockholder Nominee and any other person.

Section 13. **Stockholder Voting.**

Except as provided in Section 8 of ARTICLE II of these By-laws, a nominee for director shall be elected to the Board of Directors if the votes cast for such nominee's election exceed the votes cast against such nominee's election; provided, however, that directors shall be elected by a plurality of

the votes cast at any meeting of stockholders for which (i) the Secretary of the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with (A) the advance notice requirements for stockholder nominees for director set forth in ARTICLE I, Section 12 of these By-laws or (B) the proxy access requirements for stockholder nominees for director set forth in ARTICLE I, Section 12a of these By-laws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the fourteenth day before the date the Corporation first mails to the stockholders its notice of such meeting. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee, but only to withhold their vote. All other proposals presented to the stockholders at a meeting at which a quorum is present shall, unless a different or minimum vote is required by the corporation's Certificate of Incorporation, these By-laws, the rules or regulations of any stock exchange applicable to the corporation, or any law or regulation applicable to the corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter, be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock of the corporation which are present in person or by proxy and entitled to vote thereon.

Section 14. **Conduct of Meetings.**

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any

such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

ARTICLE I

ARTICLE II

ARTICLE III **BOARD OF DIRECTORS**

Section 1. **General Powers**.

The business and affairs of the corporation shall be managed by or under the direction of its Board of Directors. Except as otherwise provided in and subject to ARTICLE VII of these By-laws, the Board of Directors may adopt, amend or repeal by-laws adopted by the Board or by the stockholders.

Section 2. **Number of Directors, Tenure and Qualifications**.

Except as otherwise provided in and subject to ARTICLE VII of these By-laws or fixed pursuant to the Certificate of Incorporation, the number of members of the Board of Directors shall be not less than three (3) nor more than thirteen (13), as determined from time to time by the Board of Directors. The directors need not be stockholders of the corporation. Each director shall hold office until the next annual meeting of stockholders and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, incapacitation or removal from office, in the manner provided in these By-laws, including ARTICLE VII, and except as otherwise required by law.

Section 3. **Regular Meetings**.

Regular meetings of the Board of Directors shall be held without any other notice than this By-Law immediately after, and at the same place as, the annual meeting of stockholders, and each adjourned session thereof. The Board of Directors may designate the time and place, either within or without the State of Delaware, for the holding of additional regular meetings without other notice than such designation.

Section 4. **Special Meetings**.

Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chief Executive Officer or by members of the Board of Directors constituting no less than three-fourths (3/4) of the total number of directors then in office. The person or persons authorized to call special meetings of the Board of Directors may fix any place either within or without the State of Delaware, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. **Notice**.

Notice of any special meeting shall be given at least five (5) days previously thereto by written notice delivered or mailed to each director at his last known address, or at least forty-eight (48) hours previously thereto by personal delivery or by facsimile to a telephone number provided to the corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when transmitted with receipt confirmed. Whenever any notice whatever is required to be given to any director of the corporation under the provisions of these By-laws or under the provisions of the Certificate of Incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting and objects thereat to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. **Quorum**.

During the Specified Period (as defined in ARTICLE VII of these By-laws), two-thirds (2/3^{rds}) of the total number of directors which the corporation would have if there were no vacancies on the Board of Directors of the corporation shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. In the event a quorum is not present at a duly called meeting of the Board of Directors, a majority of the directors present at such duly called meeting may adjourn the meeting and, upon delivery of a notice in accordance with ARTICLE II, Section 5 to the director(s), reschedule such meeting for an alternative date, and, at such rescheduled meeting, a majority of the total number of directors shall constitute a quorum.

Section 7. **Manner of Acting**.

The act of the majority of the directors then in office shall be the act of the Board of Directors, unless the act of a greater number is required by these By-laws, including ARTICLE VII.

Section 8. **Vacancies**.

Except as otherwise required by law or ARTICLE VII of these By-laws, any vacancy on the Board of Directors that results from an increase in the number of directors shall be filled only by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

The resignation of a director shall be effective upon receipt by the corporation, unless some subsequent time is fixed in the resignation, and then from that time. Acceptance of such resignation by the corporation shall not be required.

Section 9. **Compensation**.

The Board of Directors, by affirmative vote of a majority of the directors, and irrespective of any personal interest of any of its members, may establish reasonable compensation of all directors for services to the corporation as directors, officers or otherwise, or may delegate such authority to an appropriate committee.

Section 10. **Committees**.

Except as otherwise provided in and subject to ARTICLE VII of these By-laws, the Board of Directors by resolution may designate one (1) or more committees, each committee to consist of one (1) or more directors elected by the Board of Directors, which to the extent permitted by law and to the extent provided in such resolution, as initially adopted, and as thereafter supplemented or amended by further resolution adopted by a like vote, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the corporation. Except as otherwise provided in and subject to ARTICLE VII of these By-laws, the Board of Directors may elect one (1) or more of its members as alternate members of any such committee who may take the place of any absent or disqualified member or members at any meeting of such committee, upon request by the Chairman of the Board or the Chief Executive Officer or upon request by the chairman of such meeting. Each such committee may fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

Section 11. **Action of the Board by Written Consent**.

Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting of the Board of Directors or any committee thereof if prior to such action a consent in writing or electronic transmission is given by all members of the Board or of the committee, as the case may be, and the writing or writings or electronic transmission is filed with the minutes of the proceedings of the Board or the committee.

Section 12. **Conferences**.

Members of the Board of Directors or any committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 12 shall constitute presence in person at such meeting.

ARTICLE IV

ARTICLE V

ARTICLE VI **OFFICERS**

Section 1. **Number**.

The officers of the corporation shall consist of an Chairman of the Board and a Chief Executive Officer. The Board of Directors may appoint as officers such number of Senior Vice Presidents and Vice Presidents, a Secretary, a Treasurer, one (1) or more Assistant Treasurers, one (1) or more Assistant Secretaries, and such other officers as are created by the Board from time to time. The same person may hold two (2) or more of such offices.

Section 2. **Election and Term of Office**.

Except as otherwise provided in and subject to ARTICLE VII of these By-laws, the Chairman of the Board shall be elected by the directors from among their own number; other officers need not be directors. In addition to the powers conferred upon them by these By-laws, except as otherwise provided in and subject to ARTICLE VII of these By-laws, all officers elected or appointed by the Board of Directors shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors by resolution.

Section 3. **Removal**.

Except as otherwise provided in and subject to ARTICLE VII of these By-laws, any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

Section 4. **Executive Chairman of the Board**.

The Executive Chairman of the Board shall have the duties as set forth in the Corporate Governance Guidelines/Policies of the corporation.

Section 5. **Lead Independent Directors**.

The Lead Independent Director shall have the duties as set forth in the Corporate Governance Guidelines/Policies of the corporation and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 6. **Chief Executive Officer; President**.

The Chief Executive Officer shall be the principal executive officer of the corporation and shall have the general charge of and control over the business, affairs, and personnel of the corporation, subject to the authority of the Board of Directors. Unless some other officer has been elected President of the

corporation, the Chief Executive Officer shall also be the President of the corporation. The Chief Executive Officer, as President of the corporation, may, together with the Secretary, sign all certificates for shares of the capital stock of the corporation. Except as may be specified by the Board of Directors, the Chief Executive Officer shall have the power to enter into contracts and make commitments on behalf of the corporation and shall have the right to execute deeds, mortgages, bonds, contracts and other instruments necessary or proper to be executed in connection with the corporation's regular business and may authorize any other officer of the corporation, to sign, execute and acknowledge such documents and instruments in his place and stead.

Section 7. **Senior Vice President and Vice Presidents**.

Each Senior Vice President or Vice President shall perform such duties and have such authority as from time to time may be assigned to him by the Board of Directors (so long as such duties are, and such authority is, subordinate to the Chief Executive Officer) or the Chief Executive Officer.

Section 8. **Secretary and Assistant Secretaries**.

The Secretary shall have custody of the seal of the corporation and of all books, records and papers of the corporation, except such as shall be in the charge of the Treasurer or some other person authorized to have custody and be in possession thereof by resolution of the Board of Directors. The Secretary shall record the proceedings of the meetings of the stockholders and of the Board of Directors in books kept by him for that purpose and may, at the direction of the Board of Directors, give any notice required by statute or by these By-laws of all such meetings. The Secretary shall, together with the President, sign certificates for shares of the capital stock of the corporation. Any Assistant Secretaries elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary as aforesaid. The Secretary or any Assistant Secretary may, together with the Chief Executive Officer or any other authorized officer, execute on behalf of the corporation any contract which has been approved by the Board of Directors, and shall perform such other duties as the Board of Directors or the Chief Executive Officer shall prescribe.

Section 9. **Treasurer and Assistant Treasurer**.

The Treasurer shall keep accounts of all moneys of the corporation received and disbursed, and shall deposit all monies and valuables of the corporation in its name and to its credit in such banks and depositories as the Board of Directors shall designate. Any Assistant Treasurers elected by the Board of Directors, in order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors or the Chief Executive Officer shall prescribe.

Section 10. **Salaries**.

The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

Section 11. **Representation in Other Companies**.

Unless otherwise ordered by the Board of Directors, the Chief Executive Officer or a Vice President designated by the Chief Executive Officer or the Board of Directors shall have full power and authority on behalf of the corporation to attend and to act and to vote at any meetings of security holders of corporations in which the corporation may hold securities, and at such meetings shall possess and may exercise any and all rights and powers incident to the ownership of such securities, and which as the owner thereof the corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE VII

ARTICLE VIII

ARTICLE IX **STOCK AND TRANSFER OF STOCK**

Section 1. **Shares of Stock**.

The shares of capital stock of the corporation shall be represented by a certificate, unless and until the Board of Directors of the corporation adopts a resolution permitting shares to be uncertificated. Notwithstanding the adoption of any such resolution providing for uncertificated shares, every holder of capital stock of the corporation theretofore represented by certificates and, upon request, every holder of uncertificated shares, shall be entitled to have a certificate for shares of capital stock of the corporation signed by the President and by the Secretary. To the extent that shares are represented by certificates, the certificates shall be in such form as shall be determined by the Board of Directors and shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. With respect to certificated shares of stock, all certificates surrendered to the corporation for transfer shall be canceled and no new certificate or uncertificated shares shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new certificate or uncertificated shares may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

Section 2. **Transfer of Shares**.

Stock of the corporation shall be transferable in the manner prescribed by applicable law and in these By-laws. Transfers of stock shall be made on the books of the corporation, and in the case of certificated shares of stock, only by the person named in the certificate or by such person’s attorney lawfully

constituted in writing and upon the surrender of the certificate therefor, properly endorsed for transfer and payment of all necessary transfer taxes; or, in the case of uncertificated shares of stock, upon receipt of proper transfer instructions from the registered holder of the shares or by such person's attorney lawfully constituted in writing, and upon payment of all necessary transfer taxes and compliance with appropriate procedures for transferring shares in uncertificated form; provided, however, that such surrender and endorsement, compliance or payment of taxes shall not be required in any case in which the officers of the corporation shall determine to waive such requirement. Prior to due presentment for registration of transfer of a certificate representing shares of capital stock of the corporation or of proper transfer instructions with respect to uncertificated shares, the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that said endorsements are genuine and effective and in compliance with such other regulations as may be prescribed under the authority of the Board of Directors.

ARTICLE X

ARTICLE XI

ARTICLE XII **INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS**

Section 1. **Indemnification Generally**.

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he or she is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, or is alleged to have violated the Employee Retirement Income Security Act of 1974, as amended, against expenses (including attorneys' fees), judgments, fines, penalties, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or

proceeding by judgment, order, settlement, conviction, or upon plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 2. **Indemnification in Actions By or In the Right Of the Corporation**.

The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense and settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Section 3. **Success on the Merits; Indemnification Against Expenses**.

To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 or Section 2 of this ARTICLE V, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

Section 4. **Determination that Indemnification is Proper**.

Any indemnification under Section 1 or Section 2 of this ARTICLE V, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances under the standard of conduct set forth in such Section 1 or Section 2 of this ARTICLE V, as the case may be. Except as provided in the last sentence of this Section 4, such determination shall be made:

(a) By the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding;

(b) If such a quorum is not obtainable, or, even if obtainable if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion; or

(c) By the stockholders.

Notwithstanding the foregoing, any present or former director may demand, in connection with any notice to the corporation seeking indemnification, that the determination of entitlement to indemnification of such present or former director be made by independent counsel. In the event of such a demand, the corporation shall retain independent counsel reasonably acceptable to such present or former director to make such determination.

Section 5. **Insurance; Indemnification Agreements**.

The corporation may, but shall not be required to, supplement the right of indemnification under this ARTICLE V by any lawful means, including, without limitation by reason of enumeration, (i) the purchase and maintenance of insurance on behalf of any one or more of such indemnitees, whether or not the corporation would be obligated to indemnify such person under this ARTICLE V or otherwise, and (ii) individual or group indemnification agreements with any one or more of such indemnities.

Section 6. **Advancement of Expenses.**

Expenses (including attorneys' fees) incurred by an indemnitee in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the indemnitee to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the corporation as to such amounts.

Section 7. **Rights Not Exclusive**.

The indemnification and advancement of expenses provided by this ARTICLE V shall be not deemed exclusive of any other right to which an indemnified person may be entitled under Section 145 of the General Corporation Law of the State of Delaware (or any successor provision) or otherwise under applicable law, or under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8. **Severability**.

To the extent that any court of competent jurisdiction shall determine that the indemnification provided under this ARTICLE V shall be invalid as applied to a particular claim, issue or matter, the provisions hereof shall be deemed amended to allow indemnification to the maximum extent permitted by law.

Section 9. **Modification**.

This ARTICLE V shall be deemed to be a contract between the corporation and each previous, current or future director, officer, employee or agent. The provisions of this ARTICLE V shall be applicable to all actions, claims, suits or proceedings, commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this ARTICLE V shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding which is based in any material respect from any alleged action or failure to act prior to such amendment, modification or repeal.

ARTICLE XIII

ARTICLE XIV

ARTICLE XV **EXCLUSIVE FORUM**

Unless the corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer or other employee or stockholder of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation or any director or officer or other employee of the corporation arising pursuant to any provision of the Delaware General Corporation Law or the corporation's Certificate of Incorporation or By-laws (as either may be amended from time to time), (iv) any action to interpret, apply, enforce or determine the validity of the corporation's Certificate of Incorporation or By-laws or (v) any action asserting a claim governed by the internal affairs doctrine shall be a state court located within the State of Delaware (or, if no state court located within the State of Delaware has jurisdiction, the federal district court for the District of Delaware).

ARTICLE XVI

ARTICLE XVII

ARTICLE XVIII **CERTAIN GOVERNANCE MATTERS**

Section 1. **Definitions**.

The following definitions shall apply to this ARTICLE VII and otherwise as applicable in these By-laws:

(a) "Effective Time" has the meaning specified in the Merger Agreement.

(b) "Entire Board of Directors" shall mean a total of eleven (11) directors; provided, however, that if a vacancy has not been filled pursuant to ARTICLE VII, Section 2 below and the remaining directors determine, by action of a majority of the directors then in office, in the good faith exercise of their fiduciary duties, that immediate action is required to avoid material harm to the corporation, then the "Entire Board of Directors" shall mean the remaining directors (even if less than a quorum) or the sole remaining director.

(c) "Entire Corporate Governance and Nominating Committee" shall mean a total of four (4) directors on the Corporate Governance and Nominating Committee.

(d) "Merger Agreement" shall mean the Agreement and Plan of Merger, dated as of September 15, 2015, by and among DENTSPLY International Inc., Sirona Dental Systems, Inc., and Dawkins Merger Sub Inc., as amended from time to time.

(e) "Specified Period" shall mean the period beginning at the Effective Time and ending on the third (3rd) anniversary of the Effective Time.

Section 2. **Composition of the Board.**

(a) Following the Effective Time, the Board shall be comprised of eleven (11) members. The specific composition of the Board as of the Effective Time shall be as set forth in the Merger Agreement. Any re-nomination of a director or nomination of an individual to a seat held by an existing director shall be filled only by the approval of at least a majority of the Entire Board of Directors (even if less than a quorum, or by the sole remaining director) acting solely upon the recommendation of at least a majority of the Entire Corporate Governance and Nominating Committee. In the event of a deadlock among the members of the Corporate Governance and Nominating Committee concerning such re-nomination or nomination, as applicable, or failure of the Board to approve such recommendation of the Entire Corporate Governance and Nominating Committee, the incumbent director shall be re-nominated if willing to serve.

(b) Vacancies resulting from the cessation of service by, including removal of, any director shall be filled only by the approval of at least a majority of the Entire Board of Directors (even if less than a quorum, or by the sole remaining director) acting solely upon the unanimous recommendation of the Corporate Governance and Nominating Committee.

Section 3. **Chairman, Chief Executive Officer, Lead Independent Director.**

During the Specified Period, the Board may only replace, remove, alter the responsibilities and authorities (as set forth in the Corporate Governance Guidelines/Policies of the corporation or these By-laws), or grant conflicting responsibilities or authorities of the Chairman, the Chief Executive Officer, or the Lead Independent Director, as applicable, by the affirmative vote of the greater of (i) at least seventy percent (70%) of the Entire Board of Directors and (ii) eight (8) directors.

Section 4. **Required Committees.**

(a) From the Effective Date, the Board shall have the following three committees, in addition to any other committees as determined by the Board from time to time by the affirmative vote of the greater of (i) at least seventy percent (70%) of the Entire Board of Directors and (ii) eight (8) directors: Audit & Finance Committee, Corporate Governance and Nominating Committee, and Human Resources Committee (the "Required Committees").

(b) Vacancies in any Required Committee resulting from the cessation of service by, including removal of, any director or any subsequent director shall be filled only by the approval of at least a majority of the Entire Board of Directors (even if less than a quorum, or by a sole remaining director) acting solely upon the unanimous recommendation of the Corporate Governance and Nominating Committee.

(c) The chairman of the Required Committees as of the Effective Time shall be as set forth in the Merger Agreement. Any change to or replacement of the chairman of any Required Committee shall be determined by the Board from time to time by the affirmative vote of the greater of (i) at least seventy percent (70%) of the Entire Board of Directors and (ii) eight (8) directors.

(d) Each Required Committee shall have the responsibilities set forth in the charter of such Required Committee as of the Effective Time, except as modified from time to time by the affirmative vote of the greater of (i) at least seventy percent (70%) of the Entire Board of Directors and (ii) eight (8) directors.

Section 5. **Amendments**.

During the Specified Period, the provisions of this ARTICLE VII and the Corporate Governance Guidelines/Policies of the corporation may be modified, amended or repealed by the Board of Directors, and any By-law provision or other resolution inconsistent with this ARTICLE VII or the Corporate Governance Guidelines/Policies of the corporation may be adopted by the Board of Directors, only by an affirmative vote of the greater of (i) at least seventy percent (70%) of the Entire Board of Directors and (ii) eight (8) directors. In the event of any inconsistency between any other provision of these By-laws and any provision of this ARTICLE VII, the provisions of this ARTICLE VII shall control. Following the end of the Specified Period, this ARTICLE VII shall automatically and without further action become void and be of no further force and effect.

[*Remainder of Page Intentionally Left Blank*]

Exhibit 4.17

EXECUTION COPY

DENTSPLY SIRONA INC.

€17,500,000 0.98% Series N Senior Notes due October 27, 2024
€14,500,000 1.31% Series O Senior Notes due October 27, 2027
€3,000,000 1.31% Series P Senior Notes due October 27, 2027
€15,500,000 1.50% Series Q Senior Notes due October 27, 2029
€2,000,000 1.50% Series R Senior Notes due October 27, 2029
€6,500,000 1.58% Series S Senior Notes due October 27, 2030
€11,000,000 1.58% Series T Senior Notes due October 27, 2030
€10,500,000 1.65% Series U Senior Notes due October 27, 2031
€7,000,000 1.65% Series V Senior Notes due October 27, 2031

SIRONA DENTAL SERVICES GmbH

€52,500,000 0.98% Series A Senior Notes due October 27, 2024
€43,500,000 1.31% Series B Senior Notes due October 27, 2027
€9,000,000 1.31% Series C Senior Notes due October 27, 2027
€46,500,000 1.50% Series D Senior Notes due October 27, 2029
€6,000,000 1.50% Series E Senior Notes due October 27, 2029
€19,500,000 1.58% Series F Senior Notes due October 27, 2030
€33,000,000 1.58% Series G Senior Notes due October 27, 2030
€31,500,000 1.65% Series H Senior Notes due October 27, 2031
€21,000,000 1.65% Series I Senior Notes due October 27, 2031

NOTE PURCHASE AND GUARANTEE AGREEMENT

DATED AS OF OCTOBER 27, 2016

Table of Contents

Schedules & Exhibits

Exhibit 1L	-	Form of 1.31% Series C Senior Note
Exhibit 1M	-	Form of 1.50% Series D Senior Note
Exhibit 1N	-	Form of 1.50% Series E Senior Note
Exhibit 1O	-	Form of 1.58% Series F Senior Note
Exhibit 1P	-	Form of 1.58% Series G Senior Note
Exhibit 1Q	-	Form of 1.65% Series H Senior Note
Exhibit 1R	-	Form of 1.65% Series I Senior Note
Exhibit 4.4(a)(i)	-	Form of Opinion of General Counsel to the Company and the German Issuer
Exhibit 4.4(a)(ii)	-	Form of Opinion of Special German Counsel to the German Issuer
Exhibit 4.4(b)	-	Form of Opinion of Special Counsel to the Purchasers

DENTSPLY SIRONA Inc.
Sirona Dental Services GmbH
World Headquarters
Susquehanna Commerce Center, Suite 60W
221 West Philadelphia Street
York, Pennsylvania 17401

Dated as of
October 27, 2016

To the Purchasers listed in
the attached Schedule A:

Ladies and Gentlemen:

Each of DENTSPLY SIRONA INC., a Delaware corporation (together with any successor thereto that becomes a party hereto pursuant to Section 10.5, the " **Company** "), and SIRONA DENTAL SERVICES GMBH, a company with limited liability organized in the Federal Republic of Germany (together with any successor thereto that becomes a party hereto pursuant to Section 10.5, the " **German Issuer** "; together with the Company, collectively, the " **Issuers** ", and each individually, an " **Issuer** "), agrees with each of the Purchasers as follows:

1. Authorization of Notes.

1.1. U.S. Notes. The Company will authorize the issue and sale of the following Senior Notes:

Issue	Series	Aggregate Principal Amount	Interest Rate	Maturity Date
Senior Notes	Series N	€ 17,500,000	0.98%	October 27, 2024
Senior Notes	Series O	€ 14,500,000	1.31%	October 27, 2027
Senior Notes	Series P	€ 3,000,000	1.31%	October 27, 2027
Senior Notes	Series Q	€ 15,500,000	1.50%	October 27, 2029
Senior Notes	Series R	€ 2,000,000	1.50%	October 27, 2029
Senior Notes	Series S	€ 6,500,000	1.58%	October 27, 2030
Senior Notes	Series T	€ 11,000,000	1.58%	October 27, 2030
Senior Notes	Series U	€ 10,500,000	1.65%	October 27, 2031
Senior Notes	Series V	€ 7,000,000	1.65%	October 27, 2031

The Senior Notes described in this Section 1.1 above are collectively referred to as the "**U.S. Notes**" (such term shall also include any such notes as amended, restated or otherwise modified from time to time and any such notes issued in substitution therefor pursuant to Section 14 of this Agreement). The Series N Notes, Series O Notes, Series P Notes, Series Q Notes, Series R Notes, Series S Notes, Series T Notes, Series U Notes and Series V Notes shall be substantially in the forms set out in Exhibit 1A, Exhibit 1B, Exhibit 1C, Exhibit 1D, Exhibit 1E, Exhibit 1F, Exhibit 1G, Exhibit 1H and Exhibit 1I, respectively, with such changes therefrom, if any, as may be approved by the Purchasers and the Company.

1.2. German Notes. The German Issuer will authorize the issue and sale of the following Senior Notes:

Issue	Series	Aggregate Principal Amount	Interest Rate	Maturity Date
Senior Notes	Series A	€ 52,500,000	0.98%	October 27, 2024
Senior Notes	Series B	€ 43,500,000	1.31%	October 27, 2027
Senior Notes	Series C	€ 9,000,000	1.31%	October 27, 2027
Senior Notes	Series D	€ 46,500,000	1.50%	October 27, 2029
Senior Notes	Series E	€ 6,000,000	1.50%	October 27, 2029
Senior Notes	Series F	€ 19,500,000	1.58%	October 27, 2030
Senior Notes	Series G	€ 33,000,000	1.58%	October 27, 2030
Senior Notes	Series H	€ 31,500,000	1.65%	October 27, 2031
Senior Notes	Series I	€ 21,000,000	1.65%	October 27, 2031

The Senior Notes described in this Section 1.2 above are collectively referred to as the "**German Notes**" (such term shall also include any such notes as amended, restated or otherwise modified from time to time and any such notes issued in substitution therefor pursuant to Section 14 of this Agreement); and together with the U.S. Notes, collectively, the " **Notes** ", and each individually, a " **Note** ". The Series A Notes, Series B Notes, Series C Notes, Series D Notes, Series E Notes, Series F Notes, Series G Notes, Series H Notes and Series I Notes shall be substantially in the forms set out in Exhibit 1J, Exhibit 1K, Exhibit 1L, Exhibit 1M, Exhibit 1N, Exhibit 1O, Exhibit 1P, Exhibit 1Q and Exhibit 1R, respectively, with such changes therefrom, if any, as may be approved by the Purchasers and the German Issuer.

Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

2. Sale and Purchase of Notes; GUARANTY.

Subject to the terms and conditions of this Agreement, the Issuers will issue and sell to each Purchaser and each Purchaser will purchase from the respective Issuer, at the Closing provided for in Section 3, the Notes of the applicable Issuer, Series and in the principal amount specified opposite such Purchaser's name in Schedule A at the purchase price of 100% of the principal amount thereof. The obligations of each Purchaser hereunder are several and not joint obligations and each Purchaser shall have no obligation and no liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

The obligations of the German Issuer hereunder and under the German Notes will be unconditionally guaranteed by the Company pursuant to Section 23.

3. Closing.

The sale and purchase of the Notes to be purchased by the Purchasers shall occur at the offices of Morgan, Lewis & Bockius LLP, 101 Park Avenue, New York, New York 10178 at 10:00 a.m. Eastern time, at a closing (the " **Closing** ") on October 27, 2016 or on such earlier date as may be agreed upon by the Issuers and the Purchasers (such date, the " **Closing Date** "). On the Closing Date, the Issuers will deliver to each Purchaser such U.S. Notes and German Notes to be purchased by such Purchaser in the form of a single Note of the applicable Series (or such greater number of Notes in denominations of at least €100,000 as such Purchaser may request) dated the Closing Date and registered in such Purchaser's name (or in the name of such Purchaser's nominee), against delivery by such Purchaser to the respective Issuer or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds (i) for the account of the Company at Citibank London, Citigroup Centre, Canary Wharf, 25 Canada Square, London E14 5LB, United Kingdom, IBAN GB08CITI18500810806161, SWIFT Code CITIGB2L, Beneficiary/Account Name: DENTSPLY SIRONA Inc. and (ii) for the account of the German Issuer at Unicredit Bank AG, Arabellastraße 12, 81925 München, Germany, IBAN DE81700202700666827899, SWIFT Code HYVEDEMM, Beneficiary/Account Name: Sirona Dental Systems GmbH. If, on the Closing Date, either Issuer shall fail to tender such Notes to any Purchaser as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to such Purchaser's satisfaction, such Purchaser shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any rights such Purchaser may have by reason of such failure or such nonfulfillment.

4. Conditions to Closing.

Each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing is subject to the fulfillment to such Purchaser's satisfaction, prior to or at the Closing, of the following conditions:

4.1. Representations and Warranties.

The representations and warranties of the Issuers in this Agreement shall be correct when made and at the time of the Closing.

4.2. Performance; No Default.

The Issuers shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Issuers prior to or at the Closing, and before and after giving effect to the issue and sale of the Notes to be issued at the Closing (and the application of the proceeds thereof as contemplated by Section 5.14), no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Section 10 hereof had such Section applied since such date.

4.3. Compliance Certificates.

(a) *Officer's Certificate of the Company.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) *Manager's Certificate of the German Issuer.* The German Issuer shall have delivered to such Purchaser a Manager's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(c) *Secretary's or Manager's Certificate of each Issuer.* Each Issuer shall have delivered to such Purchaser a certificate of its Secretary, an Assistant Secretary, a Manager or another appropriate person, dated the date of the Closing, certifying as to (i) the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes to be issued by it at the Closing and this Agreement and (ii) such Issuer's organizational documents as then in effect.

4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of the Closing (a) from (i) the General Counsel of the Company and the German Issuer, covering the matters set forth in Exhibit 4.4(a)(i) and such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request, and (ii) Skadden, Arps, Slate, Meagher & Flom LLP, special German counsel for the German Issuer, covering the matters set forth in Exhibit 4.4(a)(ii) and such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the German Issuer hereby instructs its counsel to deliver such opinion to the Purchasers), and (b) from Morgan, Lewis & Bockius LLP, the Purchasers' special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

4.5. Purchase Permitted By Applicable Law, Etc.

On the date of the Closing, such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

4.6. Sale of Other Notes.

Contemporaneously with the Closing the Issuers shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at the Closing as specified in Schedule A.

4.7. Payment of Special Counsel Fees.

Without limiting the provisions of Section 16.1, the Company shall have paid on or before the date of the Closing, the reasonable fees, reasonable charges and reasonable disbursements of the Purchasers' special counsel referred to in Section 4.4 to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the date of the Closing.

4.8. Private Placement Number.

A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for each Series of Notes to be issued at the Closing.

4.9. Changes in Corporate Structure.

Prior to the Closing Date, neither Issuer shall have changed its jurisdiction of organization, been a party to any merger or consolidation, or shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.5.

4.10. Funding Instructions.

At least three Business Days prior to the date of the Closing, each Purchaser shall have received (a) written instructions signed by a Responsible Officer on letterhead of the Company including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number/Swift Code/IBAN and (iii) the account name and number into which the purchase price for such Purchaser's U.S. Notes is to be deposited, and (b) written instructions signed by a Responsible Officer on letterhead of the German Issuer including (i) the name and address of the transferee bank, (ii) such transferee bank's ABA number/Swift Code/IBAN and (iii) the account name and number into which the purchase price for such Purchaser's German Notes is to be deposited.

4.11. Proceedings and Documents.

All corporate and other organizational proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

5. Representations and Warranties of the ISSUERS.

Each Issuer jointly and severally represents and warrants to each Purchaser that:

5.1. Organization; Power and Authority.

The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The German Issuer is a German limited liability company (*Gesellschaft mit beschränkter Haftung*) duly organized in The Federal Republic of Germany, validly established and existing under German law. Each Issuer has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement, the U.S. Notes (in the case of the Company) and the German Notes (in the case of the German Issuer), and to perform the provisions hereof and thereof, as applicable.

5.2. Authorization, Etc.

This Agreement and the Notes being issued by such Issuer have been duly authorized by all necessary corporate action on the part of such Issuer, and this Agreement constitutes, and upon execution and delivery thereof each such Note will constitute, a legal, valid and binding obligation of such Issuer enforceable against such Issuer in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3. Disclosure.

Each Issuer, through its agent, Citigroup Global Markets Inc., has delivered to each Purchaser a copy of a Private Placement Memorandum, dated September 2016 (the " **Memorandum** "), relating to the transactions contemplated hereby. The Memorandum, as of its date and as of the Closing Date, fairly describes, in all material respects, the general nature of the business and principal properties of the Company and its Subsidiaries. This Agreement, the Memorandum, the financial statements listed in Schedule 5.5 and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Issuers prior to October 4, 2016 in connection with the transactions contemplated hereby and identified in Schedule 5.3 (this Agreement, the Memorandum and such documents, certificates or other writings and such financial statements delivered to each Purchaser being referred to, collectively, as the " **Disclosure Documents** "), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since December 31, 2015, there has been no change in the financial condition, operations, business or properties of either Issuer or any of its respective Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to either Issuer that could reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Disclosure Documents.

5.4. Organization and Ownership of Shares of Subsidiaries; Affiliates.

(a) Schedule 5.4 contains (except as noted therein) complete and correct lists (i) of the Company's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and its Subsidiaries, (ii) of the Company's Affiliates, other than Subsidiaries, and (iii) of the Company's directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (other than Liens permitted by Section 10.3).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

5.5. Financial Statements.

The Issuers have delivered to each Purchaser copies of the consolidated financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such Schedule and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Issuers and their Subsidiaries do not have any Material liabilities that are not disclosed in the Disclosure Documents.

5.6. Compliance with Laws, Other Instruments, Etc.

The execution, delivery and performance by the Issuers of this Agreement, the U.S. Notes (in the case of the Company) and the German Notes (in the case of the German Issuer) will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Issuer or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum of association, articles of association, or by-laws, or any other agreement or instrument to which such Issuer or any Subsidiary is bound or by which such Issuer or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Issuer or any Subsidiary, or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Issuer or any Subsidiary, except for such contraventions, breaches, defaults, conflicts, violations or Liens as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

5.7. Governmental Authorizations, Etc.

No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Issuers of this Agreement, the U.S. Notes (in the case of the Company) or the German Notes (in the case of the German Issuer), including any thereof required in connection with the obtaining of Euros to make payments under this Agreement or the Notes and the payment of such Euros to Persons resident in the United States of America. It is not necessary under German law to ensure the legality, validity, enforceability or admissibility into evidence in Germany of this Agreement or the German Notes that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any German stamp or registration tax.

5.8. Litigation; Observance of Agreements, Statutes and Orders.

(a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of either Issuer, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws, the USA PATRIOT Act or any of the other laws and regulations that are referred to in Section 5.16) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

5.9. Taxes.

(a) The Company and its Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except in each case for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, national, state or other taxes for all fiscal periods are adequate. As of the date of this Agreement, the U.S. federal income tax liabilities of the Company and its Subsidiaries have been finally determined (whether by reason of completed audits or the statute of limitations having run) for all fiscal years up to and including the fiscal year ended 2011.

(b) No liability for any Tax, directly or indirectly, imposed, assessed, levied or collected by or for the account of any Governmental Authority of Germany or any political subdivision thereof that is Material (solely in respect of either Issuer) or material (solely in respect of any holder of a Note) will be incurred by either Issuer or any holder of a Note, in either case as a result of the execution or delivery of this Agreement or the Notes and no deduction or withholding in respect of Taxes imposed by or for the account of Germany or, to the knowledge of either Issuer, any other Taxing Jurisdiction, is required to be made from any payment by either Issuer under this Agreement or the Notes except for any such liability, withholding or deduction imposed, assessed, levied or collected by or for the account of any such Governmental Authority of Germany arising out of any of the circumstances described in clauses (i) through (v) of Section 13(b).

5.10. Title to Property; Leases.

The Company and its Subsidiaries have good and sufficient title to their respective properties which the Company and its Subsidiaries own or purport to own, in each case free and clear of Liens prohibited by this Agreement, except where the failure to have such title would not reasonably be expected to have a Material Adverse Effect. All Material leases of the Company and its Subsidiaries are valid and subsisting and are in full force and effect in all material respects.

5.11. Licenses, Permits, Etc.

(a) The Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, without known conflict with the rights of others, except to the extent that the failure to own or possess the same, or the existence of any such conflict, would not reasonably be expected to have a Material Adverse Effect.

(b) No product of the Company or any of its Subsidiaries infringes in any respect any license, permit, franchise, authorization, patent, copyright, proprietary software, service mark, trademark, trade name or other right owned by any other Person, except where any such infringement would not reasonably be expected to have a Material Adverse Effect.

(c) There is no violation by any Person of any right of the Company or any of its Subsidiaries with respect to any patent, copyright, proprietary software, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries, except where any such violation would not reasonably be expected to have a Material Adverse Effect.

5.12. Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to section 430(k) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities, in the case of any single Plan or in the aggregate for all Plans, by an amount that would reasonably be expected to have a Material Adverse Effect. The term **"benefit liabilities"** has the meaning specified in section 4001 of ERISA and the terms **"current value"** and **"present value"** have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected postretirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715-60, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Issuers to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.3 as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by such Purchaser.

(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply could not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Company and its Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue could not be reasonably expected to have a Material Adverse Effect.

5.13. Private Offering by the Issuers.

Neither of the Issuers nor anyone acting on their behalf has offered the Notes, the Unconditional Guaranty of the Company or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than the Purchasers and not more than 50 other Institutional Investors, each of which has been offered the Notes in connection with a private sale for investment. Neither of the Issuers nor anyone acting on their behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction, including the jurisdiction of organization of each Issuer.

5.14. Use of Proceeds; Margin Regulations.

The Company and the German Issuer will apply the proceeds of the sale of the U.S. Notes and the German Notes, respectively, hereunder as set forth in the "Transaction Overview" section of the Memorandum. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve either Issuer in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms " *margin stock* " and " *purpose of buying or carrying* " shall have the meanings assigned to them in said Regulation U.

5.15. Existing Debt; Future Liens.

(a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of (i) all outstanding Debt of the Company and its Subsidiaries, (ii) all Debt incurred in connection with the Consignment Agreements relating to the consignment of precious metals between the Company and certain counterparties and (iii) all unfunded pension obligations of the Company and its Subsidiaries, in each case as of June 30, 2016. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary, and no event or condition exists with respect to any Debt of the Company or any Subsidiary, that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not permitted by Section 10.3.

(c) Neither the Company nor any Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Debt of the Company or such Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Company, except as specifically indicated in Schedule 5.15.

5.16. Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury (" **OFAC** ") (an " **OFAC Listed Person** ") (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is the target of any OFAC Sanctions Program, or (iii) otherwise blocked, the target of sanctions under or engaged in any activity in violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Iran Sanctions Act or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, " **U.S. Economic Sanctions** ") or sanctions imposed by the United Nations or the European Union (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (i), clause (ii) or clause (iii), a " **Blocked Person** "). Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is the target of U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or, to the knowledge of either Issuer, indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person or (ii) otherwise in violation of U.S. Economic Sanctions.

(c) Neither the Company nor any Controlled Entity (i) has been found in violation of, charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under the Currency and Foreign Transactions Reporting Act of 1970 (otherwise known as the Bank Secrecy Act), the USA PATRIOT Act, any U.S. Economic Sanctions, any other United States law or regulation governing such activities or under any other similar laws of any other jurisdiction governing such activities (collectively, **"Anti-Money Laundering/Anti-Terrorism Laws"**) as of the Closing Date and, except as disclosed on Schedule 5.16, is not reasonably likely to be found in violation of, charged with, or convicted of, any Anti-Money Laundering/Anti-Terrorism Laws, (ii) except as set forth on Schedule 5.16, to either Issuer's knowledge, is under investigation by any Governmental Authority for possible violation of Anti-Money Laundering/Anti-Terrorism Laws, (iii) has been assessed civil penalties under any Anti-Money Laundering/Anti-Terrorism Laws as of the Closing Date and, except as disclosed on Schedule 5.16, is not reasonably likely to be assessed civil penalties under any Anti-Money Laundering/Anti-Terrorism Laws, or (iv) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering/Anti-Terrorism Laws. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance in all material respects with applicable Anti-Money Laundering/Anti-Terrorism Laws.

(d) (1) Neither the Company nor any Controlled Entity (i) has been charged with, or convicted of bribery or any other anti-corruption related activity under any applicable law or regulation in a U.S. or any non-U.S. country or jurisdiction, including but not limited to, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010 (collectively, **"Anti-Corruption Laws"**), (ii) to either Issuer's knowledge, is under investigation by any U.S. or non-U.S. Governmental Authority for possible violation of Anti-Corruption Laws, (iii) has been assessed civil or criminal penalties under any Anti-Corruption Laws or (iv) has been or is the target of sanctions imposed by the United Nations or the European Union;

(2) To either Issuer's knowledge, neither the Company nor any Controlled Entity has, within the last five years, directly or indirectly offered, promised, given, paid or authorized the offer, promise, giving or payment of anything of value to a Governmental Official or a commercial counterparty for the purposes of: (i) influencing any act, decision or failure to act by such Government Official in his or her official capacity or such commercial counterparty, (ii) inducing a Governmental Official to do or omit to do any act in violation of the Governmental Official's lawful duty, or (iii) inducing a Governmental Official or a commercial counterparty to use his or her influence with a government or governmental instrumentality to affect any act or decision of such government or entity; in each case in order to obtain, retain or direct business or to otherwise secure an improper advantage in violation of any applicable law or regulation or which would cause any holder to be in violation of any law or regulation applicable to such holder; and

(3) No part of the proceeds from the sale of the Notes hereunder will be used by either Issuer, any Controlled Entity or any of their respective officers, employees or authorized representatives, directly or, to the knowledge of either Issuer, indirectly, for any illegal payments, including bribes, to any Governmental Official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage in violation of law. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance in all material respects with applicable Anti-Corruption Laws.

Notwithstanding the foregoing, no representation under this Section 5.16 is given by the German Issuer to the extent such representation would constitute a violation by the German Issuer of EU Regulation (EC) 2271/96 or section 7 of the German Foreign Trade regulation (*Außenwirtschaftsverordnung - AWV*), or a similar anti-boycott statute applicable to the German Issuer.

5.17. Status under Certain Statutes.

Neither the Company nor any Subsidiary is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or is subject to regulation under the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

5.18. Environmental Matters.

(a) Neither the Company nor any Subsidiary has knowledge of any liability or has received any notice of any liability, and no proceeding has been instituted raising any liability against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them, or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any liability, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect.

(c) Neither the Company nor any of its Subsidiaries has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them or has disposed of any Hazardous Materials in each case in a manner contrary to any Environmental Laws in each case in any manner that would reasonably be expected to result in a Material Adverse Effect.

(d) All buildings on all real properties now owned, leased or operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

5.19. Notes Rank Pari Passu.

The obligations of the Company under this Agreement and the U.S. Notes rank at least *pari passu* in right of payment with all other Senior Debt (actual or contingent) of the Company, including, without limitation, all Senior Debt of the Company described in Schedule 5.15 hereto. The obligations of the German Issuer under this Agreement and the German Notes rank at least *pari passu* in right of payment with all other Senior Debt (actual or contingent) of the German Issuer, including, without limitation, all Senior Debt of the German Issuer described on Schedule 5.15 hereto.

6. Representations of the Purchaser.

6.1. Purchase for Investment.

Each Purchaser severally represents that it is purchasing the Notes for its own account or for one or more separate accounts maintained by it or for the account of one or more pension or trust funds and not with a view to the distribution thereof, *provided* that the disposition of such Purchaser's or such pension or trust funds' property shall at all times be within such Purchaser's or such pension or trust funds' control. Each Purchaser understands that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Issuers are not required to and the Issuers have no intent to register their respective Notes. Each Purchaser further represents and warrants that such Purchaser will not sell, transfer or otherwise dispose of the Notes or any interest therein except in a transaction exempt from or not subject to the registration requirements of the Securities Act and in accordance with the restrictions set forth in Section 14.2 and the legend set forth on the certificates evidencing the applicable Series of the Notes.

6.2. Accredited Investor.

Each Purchaser represents that it is an "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) acting for its own account (and not for the account of others) or as a fiduciary or agent for others (which others are also "accredited investors"). Each Purchaser further represents that such Purchaser has had the opportunity to ask questions of the Issuers and received answers to its satisfaction concerning the terms and conditions of the sale of the Notes.

6.3. Source of Funds.

Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a " **Source** ") to be used by such Purchaser to pay the purchase price of the Notes to be purchased by such Purchaser hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption (" **PTE** ") 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the " **NAIC Annual Statement** ")) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Company in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part VI of PTE 84-14 (the **"QPAM Exemption"**)) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part VI of the QPAM Exemption), no employee benefit plan's assets that are managed by the QPAM in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, represent more than 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a person controlling or controlled by the QPAM maintains an ownership interest in the Company that would cause the QPAM and the Company to be "related" within the meaning of Part VI(h) of the QPAM Exemption and (i) the identity of such QPAM and (ii) the names of any employee benefit plans whose assets in the investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Part VI(c)(1) of the QPAM Exemption) of such employer or by the same employee organization, represent 10% or more of the assets of such investment fund, have been disclosed to the Company in writing pursuant to this clause (d);or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Part IV(h) of PTE 96-23 (the " **INHAM Exemption** ")) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV(a) of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Part IV(d)(3) of the INHAM Exemption) owns a 10% or more interest in the Company and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Company in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.3, the terms "*employee benefit plan,*" "*governmental plan,*" and " *separate account* " shall have the respective meanings assigned to such terms in section 3 of ERISA.

7. Information as to COMPANY.

7.1. Financial and Business Information.

The Issuers shall deliver to each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* - within the earlier of (x) 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year) and (y) the date by which such financial statements are required to be delivered under the RCF or the date on which such corresponding financial statements are delivered under the RCF if such delivery occurs earlier than such required delivery date,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, *provided* that filing (and providing each holder of Notes that is an Institutional Investor written notice of such filing) with the SEC within the time period specified above of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) *Annual Statements* - within the earlier of (x) 105 days after the end of each fiscal year of the Company and (y) the date by which such financial statements are required to be delivered under the RCF or the date on which such corresponding financial statements are delivered under the RCF if such delivery occurs earlier than such required delivery date,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based) of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that filing (and providing each holder of Notes that is an Institutional Investor written notice of such filing) with the SEC within the time period specified above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor shall be deemed to satisfy the requirements of this Section 7.1(b);

(c) [Reserved;]

(d) *SEC and Other Reports* - except for filings referred to in Sections 7.1(a) and 7.1(b) above, promptly after the sending or filing thereof, one copy of each report that the Company sends to any of its securityholders, and one copy of each report and registration statement that the Company or any Subsidiary publicly files with the SEC or any national securities exchange;

(e) *Notice of Default or Event of Default* - promptly, and in any event within five Business Days after a Responsible Officer becomes aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(g), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(f) *ERISA Matters* - promptly, and in any event within five Business Days after a Responsible Officer becomes aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in Section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date thereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that would result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the imposition of a penalty or excise tax under the provisions of the Code relating to employee benefit plans, or the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(g) *Notices from Governmental Authority* - promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that would reasonably be expected to have a Material Adverse Effect; and

(h) *Requested Information* - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of either Issuer to perform its obligations hereunder, under the U.S. Notes (in the case of the Company) and under the German Notes (in the case of the German Issuer) as from time to time may be reasonably requested by any holder of Notes that is an Institutional Investor and if provided by the Issuers, would not violate any applicable laws, regulations or rules.

7.2. Officer's Certificate.

At the time each set of financial statements is required to be delivered (or deemed to have been delivered) to a holder of Notes that is an Institutional Investor pursuant to Section 7.1(a) or Section 7.1(b) hereof, the Company shall deliver to such Purchaser or holder a certificate of a Senior Financial Officer setting forth:

(a) *Covenant Compliance* - the information required in order to establish whether the Company was in compliance with the requirements of Section 10.1 through Section 10.6 and Section 10.9 hereof, inclusive, during (or, with respect to Section 10.1, as of the end of) the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* - a statement that such officer has reviewed the relevant terms hereof and such review shall not have disclosed the existence during the quarterly or annual period covered by the statements then being furnished of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

7.3. Visitation.

The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* - if no Default or Event of Default then exists, at the expense of such Purchaser or such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* - if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

For the avoidance of doubt, it is understood that Section 21 applies to Confidential Information obtained in connection with the exercise by any holder of Notes of the rights set forth in this Section 7.3.

7.4. Electronic Delivery.

Financial statements, opinions of independent certified public accountants, other information and Officer's Certificates that are required to be delivered by the Issuers pursuant to Sections 7.1(a), (b) or (d) and Section 7.2 shall be deemed to have been delivered upon the satisfaction of any of the following requirements with respect thereto:

(a) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate satisfying the requirements of Section 7.2 are delivered to each holder of Notes by e-mail;

(b) the Company shall have timely filed such Form 10-Q or Form 10-K, satisfying the requirements of Section 7.1(a) or Section 7.1(b), as the case may be, with the SEC on EDGAR and shall have made such form and the related Officer's Certificate satisfying the requirements of Section 7.2 available on its website on the internet, which is located at http://www.dentsplysirona.com as of the date of this Agreement;

(c) such financial statements satisfying the requirements of Section 7.1(a) or Section 7.1(b) and related Officer's Certificate satisfying the requirements of Section 7.2 are timely posted by or on behalf of the Issuers on IntraLinks or on any other similar website to which each holder of Notes has free access; or

(d) the Company shall have filed any of the items referred to in Section 7.1(d) with the SEC on EDGAR and shall have made such items available on its website on the internet or on IntraLinks or on any other similar website to which each holder of Notes has free access;

provided however, that in the case of clauses (b) or (c), the Issuers shall have given each holder of Notes prior or concurrent written notice, which may be by e-mail or in accordance with Section 19, of such posting or filing in connection with each delivery, *provided further,* that upon request of any holder to receive paper copies of such forms, financial statements and Officer's Certificates or to receive them by e-mail, the Issuers will promptly e-mail them or deliver such paper copies, as the case may be, to such holder.

8. Payment of the Notes.

8.1. Required Prepayments.

As provided therein, the entire unpaid principal balance of each Note shall be due and payable on the Maturity Date thereof.

8.2. Optional Prepayments with Make-Whole Amount.

The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the U.S. Notes that are Swapped Notes or the U.S. Notes that are Non-Swapped Notes, in an amount not less than 10% of the original aggregate principal amount of such U.S. Notes in the case of a partial prepayment, at 100% of the principal amount so prepaid, together with interest accrued thereon to, but not including, the date of such prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such principal amount, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note. The German Issuer may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the German Notes that are Swapped Notes or the German Notes that are Non-Swapped Notes, in an amount not less than 10% of the original aggregate principal amount of such German Notes in the case of a partial prepayment, at 100% of the principal amount so prepaid, together with interest accrued thereon to, but not including, the date of such prepayment, plus the applicable Make-Whole Amount determined for the prepayment date with respect to such principal amount, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note. The Company will give each holder of U.S. Notes and the German Issuer will give each holder of German Notes, as applicable, written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note and Series held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount for each Series due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of U.S. Notes or the German Issuer shall deliver to each holder of German Notes, as applicable, a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

8.3. Prepayment of Notes Upon Change of Control.

(a) *Notice of Change of Control*. The Issuers will, within 5 Business Days after any Senior Financial Officer has knowledge of the occurrence of any Change of Control, give written notice of such Change of Control to each holder of Notes. If a Change of Control has occurred, such notice shall contain and constitute an offer by the applicable Issuer to prepay Notes as described in subparagraph (c) of this Section 8.3 and shall be accompanied by the certificate described in subparagraph (g) of this Section 8.3.

(b) [Reserved.]

(c) *Offer to Prepay Notes*. The offer to prepay Notes contemplated by subparagraph (a) of this Section 8.3 shall be an offer to prepay, in accordance with and subject to this Section 8.3, all, but not less than all, the Notes held by each holder of Notes (in this case only, "holder of Notes" in respect of any Note registered in the name of a nominee for a disclosed beneficial owner shall mean such beneficial owner) on a date specified in such offer (the " **Proposed Prepayment Date** "), which date shall be not less than thirty (30) days and not more than one hundred twenty (120) days after the date of such offer (if the Proposed Prepayment Date shall not be specified in such offer, the Proposed Prepayment Date shall be the first Business Day after the 60th day after the date of such offer).

(d) *Acceptance/Rejection*. A holder of Notes may accept the offer to prepay made pursuant to this Section 8.3 by causing a notice of such acceptance to be delivered to the applicable Issuer not later than fifteen (15) days after receipt by such holder of the most recent offer of prepayment. A failure by a holder of Notes to respond to an offer to prepay made pursuant to this Section 8.3 shall be deemed to constitute a rejection of such offer by such holder of Notes.

(e) *Prepayment*. Prepayment of the Notes to be prepaid pursuant to this Section 8.3 shall be at 100% of the principal amount of such Notes, together with interest on such Notes accrued to, but not including, the date of prepayment, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, but without any Make-Whole Amount or penalty or premium of any kind. The prepayment shall be made on the Proposed Prepayment Date except as provided in subparagraph (f) of this Section 8.3.

(f) *Deferral Pending Change of Control*. The obligation of each Issuer to prepay Notes pursuant to the offers required by subparagraph (c) and accepted in accordance with subparagraph (d) of this Section 8.3 is subject to the occurrence of the Change of Control in respect of which such offers and acceptances shall have been made. In the event that such Change of Control has not occurred on the Proposed Prepayment Date in respect thereof, the prepayment shall be deferred until, and shall be made on, the date on which such Change of Control occurs; provided, however, that if the Change of Control has not occurred within 45 days after the original Proposed Prepayment Date, any holder of Notes may withdraw its acceptance and such Issuer shall again comply with this Section 8.3 as to such Change of Control with respect to such withdrawing holder. The Company shall keep each holder of U.S. Notes reasonably and timely informed, and the German Issuer shall keep each holder of German Notes reasonably and timely informed, in each case of (i) any such deferral of the date of prepayment, (ii) the date on which such Change of Control and the prepayment are expected to occur, and (iii) any determination by such Issuer that efforts to effect such Change of Control have ceased or been abandoned (in which case the offers and acceptances made pursuant to this Section 8.3 in respect of such Change of Control shall be deemed rescinded).

(g) *Officer's Certificate*. Each offer to prepay the Notes pursuant to this Section 8.3 shall be accompanied by a certificate, executed by a Senior Financial Officer of the applicable Issuer and dated the date of such offer, specifying: (i) the Proposed Prepayment Date; (ii) that such offer is made pursuant to this Section 8.3; (iii) the principal amount and Series of each Note offered to be prepaid; (iv) the interest that would be due on each Note offered to be prepaid, accrued to, but not including, the Proposed Prepayment Date (including the per diem accrual on interest for each day after the Proposed Prepayment Date, in the event of a deferral of the prepayment date pursuant to Section 8.3(f) above); (v) that the conditions to the giving of such notices in this Section 8.3 have been fulfilled; and (vi) in reasonable detail, the nature and date or proposed date of the Change of Control.

(h) *Change of Control in respect of the German Issuer*. Notwithstanding anything to the contrary contained in this Section 8.3, to the extent a Change of Control shall have occurred solely under clause (c) of the definition of Change of Control, all references to "Notes" in Section 8.3 (other than in respect of the first sentence of Section 8.3(a)) shall be deemed to be references to the German Notes only.

8.4. Prepayment of Notes Upon Sale of Assets.

The Issuers may prepay the Notes in accordance with Section 10.4.

8.5. Allocation of Partial Prepayments.

In the case of any partial prepayment of U.S. Notes pursuant to Section 8.2, the principal amount of U.S. Notes to be prepaid shall be allocated among all of the U.S. Notes that are Swapped Notes or the U.S. Notes that are Non-Swapped Notes, as applicable, being prepaid at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment. In the case of any partial prepayment of German Notes pursuant to Section 8.2, the principal amount of German Notes to be prepaid shall be allocated among all of the German Notes that are Swapped Notes or the German Notes that are Non-Swapped Notes, as applicable, being prepaid at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

8.6. Maturity; Surrender, Etc.

In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to, but not including, such date, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note and, in the case of any prepayment pursuant to Section 8.2, the applicable Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Company (in the case of any U.S. Note) or the German Issuer (in the case of any German Note) shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make-Whole Amount, if any, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company (in the case of a U.S. Note) or the German Issuer (in the case of a German Note) and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

8.7. Purchase of Notes.

The Issuers will not and will not permit any controlled Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except (a) upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to a written offer to purchase (i) any outstanding U.S. Notes made by the Company or an Affiliate pro rata to the holders of all U.S. Notes or (ii) any outstanding German Notes made by the German Issuer or an Affiliate pro rata to the holders of all German Notes, in each case at the time outstanding upon the same terms and conditions (except to the extent necessary to reflect differences in the interest rates and maturities of the Notes of different Series). The Company will promptly cancel all U.S. Notes acquired by it or any controlled Affiliate, and the German Issuer will promptly cancel all German Notes acquired by it or any controlled Affiliate, in each case pursuant to any payment, prepayment or purchase of such Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

8.8. Prepayment in Connection with a Noteholder Sanctions Event.

(a) Upon an Issuer's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event has occurred (which notice shall refer specifically to this Section 8.8 and describe in reasonable detail such Noteholder Sanctions Event), such Issuer shall promptly, and in any event within 10 Business Days, make an offer (the **"Sanctions Prepayment Offer"**) to prepay the entire unpaid principal amount of Notes issued by such Issuer and held by such Affected Noteholder (the **"Affected Notes"**), together with interest thereon to, but not including, the prepayment date selected by such Issuer with respect to each Affected Note, plus any Net Loss with respect to any Affected Note that is a Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any such Swapped Note, but without payment of any Make-Whole Amount with respect thereto, which prepayment shall be on a Business Day not less than 30 days and not more than 60 days after the date of the Sanctions Prepayment Offer (the **"Sanctions Prepayment Date"**). Such Sanctions Prepayment Offer shall provide that such Affected Noteholder notify such Issuer in writing by a stated date (the **"Sanctions Prepayment Response Date"**), which date is not later than 10 Business Days prior to the stated Sanctions Prepayment Date, of its acceptance or rejection of such prepayment offer. If such Affected Noteholder does not notify such Issuer as provided above, then the holder shall be deemed to have accepted such offer.

(b) Subject to the provisions of subparagraphs (c) and (d) of this Section 8.8, such Issuer shall prepay on the Sanctions Prepayment Date the entire unpaid principal amount of the Affected Notes held by such Affected Noteholder who has accepted (or has been deemed to have accepted) such prepayment offer (in accordance with subparagraph (a)), together with interest thereon to, but not including, the Sanctions Prepayment Date with respect to each such Affected Note, but without payment of any Make-Whole Amount with respect thereto.

(c) If a Noteholder Sanctions Event has occurred but the Company and/or its Controlled Entities have taken such action(s) in relation to their activities so as to remedy such Noteholder Sanctions Event (with the effect that a Noteholder Sanctions Event no longer exists, as reasonably determined by such Affected Noteholder) prior to the Sanctions Prepayment Date, then the Issuer of the Affected Notes shall no longer be obliged or permitted to prepay such Affected Notes in relation to such Noteholder Sanctions Event. If the Company and/or its Controlled Entities shall undertake any actions to remedy any such Noteholder Sanctions Event, the Issuers shall keep the holders of Notes reasonably and timely informed of such actions and the results thereof.

(d) If any Affected Noteholder that has given written notice to the Issuer of the Affected Notes of its acceptance of (or has been deemed to have accepted) such Issuer's prepayment offer in accordance with subparagraph (a) also gives notice to such Issuer prior to the relevant Sanctions Prepayment Date that it has determined (in its sole discretion) that it requires clearance from any Governmental Authority in order to receive a prepayment pursuant to this Section 8.8, the principal amount of each Affected Note issued by such Issuer and held by such Affected Noteholder, together with interest accrued thereon to, but not including, the date of prepayment, shall become due and payable on the later to occur of (but in no event later than the Maturity Date of the relevant Note) (i) such Sanctions Prepayment Date and (ii) the date that is 10 Business Days after such Affected Noteholder gives notice to such Issuer that it is entitled to receive a prepayment pursuant to this Section 8.8 (which may include payment to an escrow account designated by such Affected Noteholder to be held in escrow for the benefit of such Affected Noteholder until such Affected Noteholder obtains such clearance from such Governmental Authority), and in any event, any such delay in accordance with the foregoing clause (ii) shall not be deemed to give rise to any Default or Event of Default.

(e) Promptly, and in any event within 5 Business Days, after an Issuer's receipt of notice from any Affected Noteholder that a Noteholder Sanctions Event shall have occurred with respect to such Affected Noteholder, such Issuer shall forward a copy of such notice to each other holder of Notes.

(f) The Issuers shall promptly, and in any event within 10 Business Days, give written notice to the holders of Notes after the Company or any Controlled Entity having been notified that (i) its name appears or is reasonably likely in the future to appear on a State Sanctions List or (ii) it is in violation of, or is the target of, any U.S. Economic Sanctions, in each case which notice shall describe the facts and circumstances thereof and set forth the action, if any, that the Company or a Controlled Entity proposes to take with respect thereto.

(g) The foregoing provisions of this Section 8.8 shall be in addition to any rights or remedies available to any holder of Notes that may arise under this Agreement as a result of the occurrence of a Noteholder Sanctions Event; *provided* , that, if the Notes shall have been declared due and payable pursuant to Section 12.1 as a result of the events, conditions or actions of either Issuer or any of their Controlled Entities that gave rise to a Noteholder Sanctions Event, the remedies set forth in Section 12 shall control.

8.9. Prepayment for Tax Reasons.

(a) If at any time as a result of a Change in Tax Law (as defined below) the German Issuer is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the German Notes in an aggregate amount for all affected Notes equal to 5% or more of the aggregate amount of such interest payment on account of all of the German Notes, the German Issuer may give the holders of all affected German Notes irrevocable written notice (each, a " **Tax Prepayment Notice** ") of the prepayment of such affected German Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the German Issuer to make any Additional Payments and the amount thereof and stating that all of the affected German Notes shall be prepaid on the date of such prepayment so prepaid together with interest accrued thereon to the date of such prepayment, plus any Net Loss with respect to any affected German Note that is a Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any such Swapped Note, plus an amount equal to the Modified Make-Whole Amount for each such German Note, except in the case of an affected German Note if the holder of such German Note shall, by written notice given to the German Issuer no more than 20 days after receipt of the Tax Prepayment Notice, reject such prepayment of such German Note (each, a " **Rejection Notice** "). Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer of the German Issuer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. The form of Rejection Notice shall also accompany the Tax Prepayment Notice and shall state with respect to each German Note covered thereby that execution and delivery thereof by the holder of such German Note shall operate as a permanent waiver of such holder's right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such German Note (but not of such holder's right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such German Note. The Tax Prepayment Notice having been given as aforesaid to each holder of the affected German Notes, the principal amount of such German Notes together with interest accrued thereon to the date of such prepayment plus the Modified Make-Whole Amount shall become due and payable on such prepayment date, except in the case of German Notes the holders of which shall timely give a Rejection Notice as aforesaid. Two Business Days prior to such prepayment, the German Issuer shall deliver to each holder of a German Note being so prepaid a certificate of one of its Senior Financial Officers specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

(b) No prepayment of the German Notes pursuant to this Section 8.9 shall affect the obligation of the German Issuer to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.9, any holder of more than one affected German Note may act separately with respect to each affected German Note so held (with the effect that a holder of more than one affected German Note may accept such offer with respect to one or more affected German Notes so held and reject such offer with respect to one or more other affected German Notes so held).

(c) The German Issuer may not offer to prepay or prepay German Notes pursuant to this Section 8.9 (i) if a Default or Event of Default then exists, (ii) until the German Issuer shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (iii) if the obligation to make such Additional Payments directly results or resulted from actions taken by the German Issuer or any Subsidiary thereof (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.9 shall certify to the foregoing and describe such mitigation steps, if any.

(d) For purposes of this Section 8.9: "**Additional Payments**" means additional amounts required to be paid to a holder of any German Note pursuant to Section 13 by reason of a Change in Tax Law; and a " **Change in Tax Law** " means (individually or collectively with one or more prior changes) an amendment to, or change in, any law, treaty, rule or regulation of Germany after the date of the Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the German Issuer (which shall be evidenced by an Manager's Certificate of the German Issuer and supported by a written opinion of counsel having recognized expertise in the field of taxation in the relevant Taxing Jurisdiction, both of which shall be delivered to all holders of the German Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law) affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the German Notes.

8.10. Make-Whole Amount and Modified Make-Whole Amount.

(a) Make-Whole Amount and Modified Make-Whole Amount with respect to Non-Swapped Notes. The terms " **Make-Whole Amount** " and " **Modified Make-Whole Account** " mean, with respect to any Non-Swapped Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Non-Swapped Note, over the amount of such Called Principal, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and/or Modified Make-Whole Amount with respect to any Non-Swapped Note, the following terms have the following meanings:

"**Called Principal**" means, with respect to any Non-Swapped Note, the principal of such Non-Swapped Note that is to be prepaid pursuant to Section 8.2 or Section 8.9 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"**Discounted Value**" means, with respect to the Called Principal of any Non-Swapped Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Non-Swapped Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"**Implied Rate Euro Yield**" means, with respect to the Called Principal of any Non-Swapped Note, the yield to maturity implied by (i) the ask-side yields reported, as of 10:00 A.M. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PXGE" on Bloomberg Financial Markets (or such other display as may replace "Page PXGE" on Bloomberg Financial Markets) for the benchmark German Bund having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported are not ascertainable, the average of the ask-side yields as determined by Recognized German Bund Market Makers. Such implied yield will be determined, if necessary, by (a) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the benchmark German Bund with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the benchmark German Bund with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Implied Rate Euro Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

"**Non-Swapped Note**" means any Note other than a Swapped Note.

"**Recognized German Bund Market Makers**" means two internationally recognized dealers of German Bunds reasonably selected by the holders of at least a majority in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by either Issuer or any of their Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

"**Reinvestment Yield**" means, with respect to the Called Principal of any Non-Swapped Note, the Applicable Percentage plus the Implied Rate Euro Yield. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Non-Swapped Note.

"**Remaining Average Life**" means, with respect to any Called Principal, the number of years obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"**Remaining Scheduled Payments**" means, with respect to the Called Principal of any Non-Swapped Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under such Non-Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, Section 8.9 or Section 12.1.

"**Settlement Date**" means, with respect to the Called Principal of any Non-Swapped Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or Section 8.9 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(b) Make-Whole Amount and Modified Make-Whole Amount with respect to Swapped Notes. The terms " **Make-Whole Amount** " and " **Modified Make-Whole Amount** " mean, with respect to any Swapped Note, an amount equal to the excess, if any, of the Swapped Note Discounted Value with respect to the Swapped Note Called Notional Amount related to such Swapped Note over such Swapped Note Called Notional Amount, provided that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. All payments of Make-Whole Amount and Modified Make-Whole Amount in respect of any Swapped Note shall be made in Dollars. For the purposes of determining the Make-Whole Amount and/or Modified Make-Whole Amount, Net Loss, Net Gain or Swap Breakage Amount with respect to any Swapped Note, the following terms have the following meanings:

"**New Swap Agreement**" means any cross-currency swap agreement pursuant to which the holder of a Swapped Note is to receive payment in Dollars and which is entered into in full or partial replacement of an Original Swap Agreement as a result of such Original Swap Agreement having terminated for any reason other than a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. The terms of a New Swap Agreement with respect to any Swapped Note do not have to be identical to those of the Original Swap Agreement with respect to such Swapped Note.

"**Original Swap Agreement**" means, with respect to any Swapped Note, (x) a cross-currency swap agreement and annexes and schedules thereto (an " **Initial Swap Agreement** ") that is entered into on an arm's length basis by the original purchaser of such Swapped Note (or any affiliate thereof) in connection with the execution of this Agreement and the purchase of such Swapped Note and relates to the scheduled payments by the Issuer of such Swapped Note of interest and principal on such Swapped Note, under which the holder of such Swapped Note is to receive payments from the counterparty thereunder in Dollars and which is more particularly described on Schedule 8.10 or in a side letter delivered by the original purchaser of such Swapped Note to the Issuer thereof on or prior to the Closing Date, (y) any Initial Swap Agreement that has been assumed by or novated to (without any waiver, amendment, deletion or replacement of any material economic term or provision thereof) a holder of a Swapped Note in connection with a transfer of such Swapped Note and (z) any Replacement Swap Agreement; and a " **Replacement Swap Agreement** " means, with respect to any Swapped Note, a cross-currency swap agreement and annexes and schedules thereto with payment terms and provisions (other than a reduction in notional amount, if applicable) identical to those of the Initial Swap Agreement with respect to such Swapped Note that is entered into on an arm's length basis by the holder of such Swapped Note in full or partial replacement (by amendment, modification or otherwise) of such Initial Swap Agreement (or any subsequent Replacement Swap Agreement) in a notional amount not exceeding the outstanding principal amount of such Swapped Note following a non-scheduled prepayment or a repayment of such Swapped Note prior to its scheduled maturity. Any holder of a Swapped Note that enters into, assumes or terminates an Initial Swap Agreement or Replacement Swap Agreement shall within a reasonable period of time thereafter deliver to the Issuer of such Swapped Note a copy of the confirmation, assumption, novation or termination related thereto.

"**Swap Note Agreement**" means, with respect to any Swapped Note, an Original Swap Agreement or a New Swap Agreement, as the case may be.

"**Swapped Note**" means any Note that as of the date of the Closing for such Note is subject to a Swap Note Agreement. A "Swapped Note" shall no longer be deemed a "Swapped Note" at such time as the related Swap Note Agreement ceases to be in force in respect thereof.

"**Swapped Note Called Accrued Interest Amount**" means, with respect to a Swapped Note, the accrued interest of such Swapped Note to the Swapped Note Settlement Date that is to be prepaid or has become immediately due and payable, as the context requires.

"**Swapped Note Called Notional Accrued Interest Amount**" means, with respect to any Swapped Note Called Notional Amount, the payment due to the holder of the related Swapped Note under the terms of the Swap Note Agreement to which such holder is a party attributable to and in exchange for the Swapped Note Called Accrued Interest Amount.

"**Swapped Note Called Notional Amount**" means, with respect to any Swapped Note Called Principal of any Swapped Note, the payment in Dollars due to the holder of such Swapped Note under the terms of the Swap Note Agreement to which such holder is a party, attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date, provided that if such Swap Note Agreement is not an Initial Swap Agreement, then the "Swapped Note Called Notional Amount" in respect of such Swapped Note shall not exceed the amount in Dollars which would have been due to the holder of such Swapped Note under the terms of the Initial Swap Agreement to which such holder was a party (or if such holder was never party to an Initial Swap Agreement, then the last Initial Swap Agreement to which the most recent predecessor in interest to such holder as a holder of such Swapped Note was a party), attributable to and in exchange for such Swapped Note Called Principal and assuming that such Swapped Note Called Principal is paid on its scheduled maturity date.

"**Swapped Note Called Principal**" means, with respect to any Swapped Note, the principal of such Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"**Swapped Note Discounted Value**" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note that is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires, the amount obtained by discounting all Swapped Note Remaining Scheduled Swap Payments corresponding to the Swapped Note Called Notional Amount of such Swapped Note from their respective scheduled due dates to the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Swapped Note is payable) equal to the Swapped Note Reinvestment Yield with respect to such Swapped Note Called Notional Amount.

"**Swapped Note Reinvestment Yield**" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the "Ask Yield(s)" reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets for the most recently issued actively traded on-the-run U.S. Treasury securities (" **Reported** ") having a maturity equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there are no such U.S. Treasury securities Reported having a maturity equal to such Swapped Note Remaining Average Life, then such implied yield to maturity will be determined by (a) converting U.S. Treasury bill quotations to bond equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between the "Ask Yield(s)" Reported for the applicable most recently issued actively traded on-the-run U.S. Treasury securities with the maturities (1) closest to and greater than such Swapped Note Remaining Average Life and (2) closest to and less than such Swapped Note Remaining Average Life.

If such yields are not Reported or the yields Reported as of such time are not ascertainable (including by way of interpolation), then "Swapped Note Reinvestment Yield" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by the U.S. Treasury constant maturity yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in Federal Reserve Statistical Release H.15 (or any comparable successor publication) for the U.S. Treasury constant maturity having a term equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date. If there is no such U.S. Treasury constant maturity having a term equal to such Swapped Note Remaining Average Life, such implied yield to maturity will be determined by interpolating linearly between (1) the U.S. Treasury constant maturity so reported with the term closest to and greater than such Swapped Note Remaining Average Life and (2) the U.S. Treasury constant maturity so reported with the term closest to and less than such Swapped Note Remaining Average Life.

The Swapped Note Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Swapped Note.

"**Swapped Note Remaining Average Life**" means, with respect to any Swapped Note Called Notional Amount, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (x) such Swapped Note Called Notional Amount into (y) the sum of the products obtained by multiplying (1) the principal component of each Swapped Note Remaining Scheduled Swap Payment with respect to such Swapped Note Called Notional Amount by (2) the number of years, computed on the basis of a 360-day year comprised of twelve 30-day months and calculated to two decimal places, that will elapse between the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount and the scheduled due date of such Swapped Note Remaining Scheduled Swap Payments.

"**Swapped Note Remaining Scheduled Swap Payments**" means, with respect to the Swapped Note Called Notional Amount relating to any Swapped Note, the payments due to the holder of such Swapped Note in Dollars under the terms of the Swap Note Agreement to which such holder is a party which correspond to all payments of the Swapped Note Called Principal of such Swapped Note corresponding to such Swapped Note Called Notional Amount and interest on such Swapped Note Called Principal (other than that portion of the payment due under such Swap Note Agreement corresponding to the interest accrued on the Swapped Note Called Principal to the Swapped Note Settlement Date) that would be due after the Swapped Note Settlement Date in respect of such Swapped Note Called Notional Amount assuming that no payment of such Swapped Note Called Principal is made prior to its originally scheduled payment date, provided that if such Swapped Note Settlement Date is not a date on which an interest payment is due to be made under the terms of such Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Swapped Note Settlement Date and required to be paid on such Swapped Note Settlement Date pursuant to Section 8 or Section 12.1.

"**Swapped Note Settlement Date**" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note Called Principal of any Swapped Note, the date on which such Swapped Note Called Principal is to be prepaid pursuant to Section 8 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

8.11. Swap Breakage.

If any Swapped Note is prepaid pursuant to Section 8.2, Section 8.3, Section 8.4, Section 8.8 or Section 8.9 or purchased pursuant to Section 8.7, or has become or is declared to be immediately due and payable pursuant to Section 12.1, then (a) any resulting Net Loss in connection therewith shall be reimbursed to the holder of such Swapped Note by the Issuer of such Swapped Note in Dollars upon any such prepayment or repayment of such Swapped Note and (b) any resulting Net Gain in connection therewith shall be deducted (i) from the Make-Whole Amount or Modified Make-Whole Amount, if any, or any principal or interest to be paid to the holder of such Swapped Note by the Issuer thereof upon any such prepayment of such Swapped Note pursuant to Section 8.2, Section 8.3, Section 8.4, Section 8.8 or Section 8.9 or purchase pursuant to Section 8.7 or (ii) from the Make-Whole Amount or Modified Make-Whole Amount, if any, to be paid to the holder of such Swapped Note by the Issuer of such Swapped Note upon any such repayment of such Swapped Note pursuant to Section 12.1, provided that, in either case, the Make-Whole Amount or Modified Make-Whole Amount, as applicable, in respect of such Swapped Note may in no event be less than zero. Each holder of a Swapped Note shall be responsible for calculating its own Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in Dollars upon the prepayment or repayment of all or any portion of such Swapped Note, and such calculations as reported to the Issuer of such Swapped Note in reasonable detail shall be binding on such Issuer absent demonstrable error.

As used in this Agreement with respect to any Swapped Note that is prepaid or accelerated: "**Net Loss**" means the amount, if any, by which the total of the Swapped Note Called Notional Amount and the Swapped Note Called Notional Accrued Interest Amount exceeds the sum of (x) the total of the Swapped Note Called Principal and the Swapped Note Called Accrued Interest Amount plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by the holder of such Swapped Note; and " **Net Gain** " means the amount, if any, by which the total of the Swapped Note Called Notional Amount and the Swapped Note Called Notional Accrued Interest Amount is exceeded by the sum of (x) the total of the Swapped Note Called Principal and the Swapped Note Called Accrued Interest Amount plus (or minus in the case of an amount paid) (y) the Swap Breakage Amount received (or paid) by such holder. For purposes of any determination of any "Net Loss" or "Net Gain," the Swapped Note Called Principal and the Swapped Note Called Accrued Interest Amount shall be determined by the holder of the affected Swapped Note by converting Euros into Dollars at the current Euro/Dollar exchange rate as determined as of 10:00 A.M. (New York City time) on the day such Swapped Note is prepaid or accelerated as indicated on the applicable screen of Bloomberg Financial Markets or the Reuters Screen, respectively, and any such calculation shall be reported to the Issuer of such affected Swapped Note in reasonable detail and shall be binding on such Issuer absent demonstrable error.

As used in this Agreement, "**Swap Breakage Amount**" means, with respect to the Swap Note Agreement associated with any Swapped Note, in determining the Net Loss or Net Gain, the Dollar amount that would be received (in which case the Swap Breakage Amount shall be positive) or paid (in which case the Swap Breakage Amount shall be negative) by the holder of such Swapped Note as if such Swap Note Agreement had terminated due to the occurrence of an event of default or an early termination under the ISDA 1992 Multi-Currency Cross Border Master Agreement or ISDA 2002 Master Agreement, as applicable (the " **ISDA Master Agreement** "); provided , however , that if such holder (or its predecessor in interest with respect to such Swapped Note) was, but is not at the time, a party to an Original Swap Agreement but is a party to a New Swap Agreement, then the Swap Breakage Amount shall mean the lesser of (x) the gain or loss (if any) which would have been received or incurred (by payment, through off-set or netting or otherwise) by the holder of such Swapped Note under the terms of the Original Swap Agreement (if any) in respect of such Swapped Note to which such holder (or any affiliate thereof) was a party (or if such holder was never a party to an Original Swap Agreement, then the last Original Swap Agreement to which the most recent predecessor in interest to such holder as a holder of a Swapped Note was a party) and which would have arisen as a result of the payment of the Swapped Note Called Principal on the Swapped Note Settlement Date and (y) the gain or loss (if any) actually received or incurred by the holder of such Swapped Note, in connection with the payment of such Swapped Note Called Principal on the Swapped Note Settlement Date, under the terms of the New Swap Agreement to which such holder (or any affiliate thereof) is a party. The holder of such Swapped Note will make all calculations related to the Swap Breakage Amount in good faith and in accordance with its customary practices for calculating such amounts under the ISDA Master Agreement pursuant to which such Swap Note Agreement shall have been entered into and assuming for the purpose of such calculation that there are no other transactions entered into pursuant to such ISDA Master Agreement (other than such Swap Note Agreement).

The Swap Breakage Amount shall be payable in Dollars.

9. Affirmative Covenants.

Each Issuer jointly and severally covenants that so long as any of the Notes are outstanding:

9.1. Compliance with Law.

Without limiting Section 10.7, the Issuers will, and will cause each of their Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Section 5.16, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9.2. Insurance.

The Issuers will, and will cause each of their Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated, except for any non-maintenance that would not reasonably be expected to have a Material Adverse Effect.

9.3. Maintenance of Properties.

The Issuers will, and will cause each of their Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be conducted in the ordinary course at all times, *provided* that this Section shall not prevent either Issuer or any Subsidiary from discontinuing the operation and the maintenance of or disposing of any of its properties if such discontinuance or disposal is desirable in the conduct of its business and the Issuers have concluded that such discontinuance or disposal would not, individually or in the aggregate, (i) reasonably be expected to have a Material Adverse Effect or (ii) would not violate the limitations set forth in Sections 10.4 and 10.5 hereof.

9.4. Payment of Taxes and Claims.

The Issuers will, and will cause each of their Subsidiaries to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary not permitted by Section 10.3, *provided* that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the non-filing or nonpayment, as the case may be, of any such taxes and assessments in the aggregate would not reasonably be expected to have a Material Adverse Effect.

9.5. Corporate Existence, Etc.

Subject to Sections 10.4 and 10.5, the Issuers will at all times preserve and keep in full force and effect their respective corporate existence, and will at all times preserve and keep in full force and effect the corporate existence of each of their Subsidiaries unless, in the good faith judgment of the Issuers, the termination of or failure to preserve and keep in full force and effect such corporate existence would not, individually or in the aggregate, have a Material Adverse Effect.

9.6. [Reserved.]

9.7. Notes to Rank Pari Passu.

(a) The U.S. Notes and all other obligations under this Agreement of the Company are and at all times shall remain direct obligations of the Company ranking at least *pari passu* in right of payment with all other Notes from time to time issued by the Company and outstanding hereunder without any preference among themselves and at least *pari passu* in right of payment with all Debt outstanding under the Principal Credit Facilities and all other present and future Debt (actual or contingent) of the Company which is not expressed to be subordinate or junior in rank to any other Debt of the Company.

(b) The German Notes and all other obligations under this Agreement of the German Issuer are and at all times shall remain direct obligations of the German Issuer ranking at least *pari passu* in right of payment with all other Notes from time to time issued by the German Issuer and outstanding hereunder without any preference among themselves and at least *pari passu* in right of payment with all present and future Debt (actual or contingent) of the German Issuer which is not expressed to be subordinate or junior in rank to any other Debt of the German Issuer.

9.8. Subsidiary Guarantors.

(a) The Company will cause each of its Domestic Subsidiaries that guarantees, or otherwise becomes liable at any time as a borrower or an additional borrower or co-borrower for or in respect of, any Debt under any Principal Credit Facility, to deliver to each of the holders of Notes (concurrently therewith) the following items:

(i) a duly executed Subsidiary Guaranty in scope, form and substance satisfactory to the Required Holders;

(ii) a certificate signed by an authorized Responsible Officer of the Company making representations and warranties to the effect of those contained in Sections 5.4, 5.6 and 5.7, with respect to such Domestic Subsidiary and the Subsidiary Guaranty, as applicable; and

(iii) an opinion of counsel (who may be in-house counsel for the Company) addressed to each of the holders of the Notes reasonably satisfactory to the Required Holders, to the effect that the Subsidiary Guaranty by such Person has been duly authorized, executed and delivered and that the Subsidiary Guaranty constitutes the legal, valid and binding contract and agreement of such Person enforceable in accordance with its terms, except as an enforcement of such terms may be limited by bankruptcy, insolvency, fraudulent conveyance and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) At the election of the Company and by written notice to each holder of Notes, any Subsidiary Guarantor may be discharged from all of its obligations and liabilities under its Subsidiary Guaranty and shall be automatically released from its obligations thereunder without the need for the execution or delivery of any document by the holders, *provided* that (i) if such Subsidiary Guarantor is a guarantor in respect of any Principal Credit Facility, such Subsidiary Guarantor has been released and discharged (or will be released and discharged concurrently with the release of such Subsidiary Guarantor under its Subsidiary Guaranty) under all such Principal Credit Facilities, (ii) at the time of, and after giving effect to, such release and discharge, no Default or Event of Default shall be existing, (iii) no amount is then due and payable under such Subsidiary Guaranty, (iv) if in connection with such Subsidiary Guarantor being released and discharged under any Principal Credit Facility, any fee or other form of consideration is given to any holder of Debt under such Principal Credit Facility for such release or discharge, the holders of Notes shall receive equivalent consideration substantially concurrently therewith and (v) each holder shall have received a certificate of a Responsible Officer certifying as to the matters set forth in clauses (i) through (iv). In the event of any such release, for purposes of Section 10.9, all Debt of such Subsidiary shall be deemed to have been incurred concurrently with such release.

9.9. Books and Records.

The Issuers will, and will cause each of their Subsidiaries to, maintain in all material respects proper books of record and account in conformity with GAAP (or with respect to any Subsidiary organized and operating in a jurisdiction other than the United States of America, in conformity to such jurisdiction's generally accepted accounting principles) and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over such Issuer or such Subsidiary, as the case may be.

10. Negative Covenants.

Each Issuer jointly and severally covenants that so long as any of the Notes are outstanding:

10.1. Financial Covenants.

(a) *Leverage Ratio*. The Company will not, as of the last day of any fiscal quarter, permit the ratio of (i) Consolidated Debt of the Company and its Subsidiaries as of such date to (ii) the sum of (A) Consolidated Debt of the Company and its Subsidiaries as of such date *plus* (B) Consolidated Net Worth as of such date to exceed 0.60 to 1.00.

(b) *Interest Coverage Ratio*. The Company will not permit the ratio of (i) Consolidated EBITDA of the Company and its Subsidiaries for the consecutive four fiscal quarter period ended as of the last day of any fiscal quarter of the Company to (ii) the sum of interest payable on, and amortization of debt discount in respect of, Debt of the Company and its Subsidiaries during such period (calculated on a Pro Forma Basis to the extent a Material Acquisition or Material Disposition occurred during such period), to be less than 3.00 to 1.00.

10.2. [Reserved.]

10.3. Limitation on Liens.

The Company will not create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien on or with respect to any of its properties, whether now owned or hereafter acquired, other than:

(a) Permitted Liens;

(b) Liens securing purchase money Debt or Debt with respect to Capital Leases incurred to finance the acquisition, repair, construction, improvement or lease of capital assets in an aggregate principal amount not to exceed $300,000,000 outstanding at any one time; provided that (i) such Liens shall be created within 365 days of the acquisition, repair, construction, improvement or lease, as applicable, of the related property and (ii) such Liens do not at any time encumber any property other than the property being financed or improved by such Debt;

(c) Liens existing on the date hereof and disclosed on Schedule 10.3 hereof;

(d) Liens on property of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company or Liens assumed by the Company or a Subsidiary in connection with an acquisition of assets by the Company or such Subsidiary in an acquisition permitted hereunder; *provided* that such Liens were not created in contemplation of such merger, consolidation, acquisition or such Person becoming a Subsidiary and do not extend to any assets other than those of the Person so merged into or consolidated with the Company or which becomes a Subsidiary or is acquired by the Company or a Subsidiary;

(e) any replacement, extension or renewal of any Lien permitted by clauses (b), (c) or (d) of this Section 10.3, *provided* that (i) no additional property shall be encumbered by such Liens and (ii) the principal amount of Debt secured by such Lien immediately prior to such replacement, extension or renewal shall not be increased; and

(f) other Liens securing Debt of the Company or any Subsidiary, *provided* that the sum (without duplication) of (i) the aggregate outstanding principal amount of Debt secured by all such Liens pursuant to this clause (f) *plus* (ii) the aggregate outstanding principal amount of Debt pursuant to Section 10.9(k) shall not at any time exceed 15% of Consolidated Net Worth (determined as of the end of the then most recently ended fiscal quarter of the Company for which financial statements have been delivered pursuant to Section 7.1(a) or Section 7.1(b)), *provided further* , that notwithstanding the foregoing, the Company shall not, and shall not permit any of its Subsidiaries to, secure pursuant to this Section 10.3(f) any Debt outstanding under or pursuant to any Principal Credit Facility unless and until the Notes (and any guaranty delivered in connection therewith) shall concurrently be secured equally and ratably with such Debt pursuant to documentation reasonably acceptable to the Required Holders in substance and in form, including, without limitation, an intercreditor agreement and opinions of counsel to the Company and/or any such Subsidiary, as the case may be, from counsel that is reasonably acceptable to the Required Holders.

10.4. Sales of Assets.

The Company will not, and will not permit any Subsidiary to, sell, lease or otherwise dispose of any substantial part (as defined below) of the assets of the Company and its Subsidiaries; *provided, however,* that the Company or any Subsidiary may sell, lease or otherwise dispose of assets constituting a substantial part of the assets of the Company and its Subsidiaries if, at such time and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing and an amount equal to the net proceeds received from such sale, lease or other disposition (but only with respect to that portion of such assets that exceeds the definition of "substantial part" set forth below) shall be used within 365 days of such sale, lease or disposition, in any combination:

(1) to acquire operating assets used or useful in carrying on the business of the Company and its Subsidiaries and having a value at least equal to the value of such assets sold, leased or otherwise disposed of (but only with respect to that portion of such assets that exceeds the definition of "substantial part" set forth below); and/or

(2) to prepay or retire Senior Debt of the Company and/or its Subsidiaries, *provided* that (i) the Company shall offer to prepay each outstanding U.S. Note and the German Issuer shall offer to prepay each outstanding German Note, in each case in a principal amount which equals the Ratable Portion for such Note, and (ii) any such prepayment of the Notes shall be made at par, together with accrued interest thereon to, but not including, the date of such prepayment, plus any Net Loss with respect to any Swapped Note and, subject to Section 8.11, less any Net Gain with respect to any Swapped Note, but without the payment of the Make-Whole Amount or Modified Make-Whole Amount, if any. Any offer of prepayment of the Notes pursuant to this Section 10.4 shall be given to each holder of the Notes by written notice that shall be delivered not less than fifteen (15) days and not more than sixty (60) days prior to the proposed prepayment date. Each such notice shall state that it is given pursuant to this Section and Section 8.4 of this Agreement, that the offer set forth in such notice must be accepted by such holder in writing and shall also set forth (i) the prepayment date, (ii) a description of the circumstances which give rise to the proposed prepayment and (iii) a calculation of the Ratable Portion for such holder's Notes. Each holder of the Notes which desires to have its Notes prepaid shall notify the Issuers in writing delivered not less than five (5) Business Days prior to the proposed prepayment date of its acceptance of such offer of prepayment. The Company shall prepay on the prepayment date the Ratable Portion of Notes held by each holder of U.S. Notes that has accepted such offer, together with accrued interest thereon, and the German Issuer shall prepay on the prepayment date the Ratable Portion of Notes held by each holder of German Notes that has accepted such offer, together with accrued interest thereon.

As used in this Section 10.4, a sale, lease or other disposition of assets shall be deemed to be a "*substantial part* " of the assets of the Company and its Subsidiaries if the book value of such assets, when added to the book value of all other assets sold, leased or otherwise disposed of by the Company and its Subsidiaries during the period beginning on the first day of the 12 th complete calendar month preceding the date of such sale, lease or other disposition and ending on such date, exceeds 15% of the book value of Consolidated Total Assets, determined as of the end of the fiscal quarter immediately preceding such sale, lease or other disposition; *provided* that there shall be excluded from any determination of a "substantial part" (i) any sale or disposition of assets in the ordinary course of business of the Company and its Subsidiaries, (ii) any transfer of assets from the Company to any Subsidiary or from any Subsidiary to the Company or a Subsidiary, (iii) any sale or transfer of property acquired by the Company or any Subsidiary after the date of this Agreement to any Person within 365 days following the acquisition or construction of such property by the Company or any Subsidiary if the Company or a Subsidiary shall concurrently with such sale or transfer, lease such property, as lessee, (iv) any sale or disposition of obsolete, worn-out, uneconomical or surplus assets and (v) foreclosures on, or condemnations of, assets.

10.5. Merger and Consolidation.

Neither Issuer will, and will not permit any of their Subsidiary Guarantors to, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets as an entirety in a single transaction or series of transactions to any Person, unless:

(a) in the case of any such transaction involving the Company, either the Company is the surviving Person or the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Company as an entirety, as the case may be, (i) shall be a solvent corporation or limited liability company organized and existing under the laws of the United States or any state thereof (including the District of Columbia), (ii) shall have executed and delivered to each holder of any U.S. Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the U.S. Notes and (iii) shall have caused to be delivered to each holder of any Notes an opinion of internationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption hereunder are enforceable in accordance with their terms and comply with the terms hereof;

(b) in the case of any such transaction involving the German Issuer, either the Company or the German Issuer is the surviving Person or the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the German Issuer as an entirety, as the case may be, (i) shall be a solvent corporation or limited liability company organized and existing under the laws of the United States or any state thereof (including the District of Columbia) or any other Permitted Jurisdiction, (ii) shall have executed and delivered to each holder of German Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the German Notes, (iii) the German Issuer shall have caused to be delivered to each holder of German Notes an opinion of internationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption hereunder are enforceable in accordance with their terms and comply with the terms hereof, and (iv) shall have provided to each holder of German Notes evidence of the acceptance by the Company or another process agent satisfactory to the Required Holders of the appointment and designation provided for by Section 24.8(e) from the date of such transaction to 1 year after maturity of the latest maturing German Notes (and the payment in full of all fees in respect thereof, as applicable);

(c) in the case of any such transaction involving a Subsidiary Guarantor, the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of such Subsidiary Guarantor as an entirety, as the case may be, shall be (i) the Company, such Subsidiary Guarantor or another Subsidiary Guarantor; (ii) a solvent corporation or limited liability company (other than the Company or another Subsidiary Guarantor) that is organized and existing under the laws of the United States or any state thereof (including the District of Columbia) or the jurisdiction of organization of such Subsidiary Guarantor, provided that such corporation or limited liability company, to the extent not the Subsidiary Guarantor, shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Subsidiary Guaranty of such Subsidiary Guarantor, and (B) the Company shall have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel in the appropriate jurisdiction(s), or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption hereunder are enforceable in accordance with their terms and comply with the terms hereof; or (iii) any other Person so long as the transaction is treated as a disposition of all of the assets of such Subsidiary Guarantor for purposes of Section 10.4 and, based on such characterization, would be permitted pursuant to Section 10.4;

(d) each Subsidiary Guarantor under any Subsidiary Guaranty that is outstanding at the time such transaction or each transaction in such a series of transactions occurs reaffirms its obligations under such Subsidiary Guaranty in writing at such time pursuant to documentation that is reasonably acceptable to the Required Holders; and

(e) immediately before and immediately after giving effect to such transaction or each transaction in any such series of transactions, no Default or Event of Default shall have occurred and be continuing.

No such conveyance, transfer or lease of substantially all of the assets of the Company, the German Issuer or any Subsidiary Guarantor shall have the effect of releasing the Company, the German Issuer or such Subsidiary Guarantor, as the case may be, or any successor corporation or limited liability company that shall theretofore have become such in the manner prescribed in this Section 10.5, from its liability under (x) this Agreement or the U.S. Notes (in the case of the Company), (y) this Agreement or the German Notes (in the case of the German Issuer) or (z) the Subsidiary Guaranty (in the case of any Subsidiary Guarantor), unless, in the case of the conveyance, transfer or lease of substantially all of the assets of a Subsidiary Guarantor, such Subsidiary Guarantor is released from its Subsidiary Guaranty in accordance with Section 9.8(b) in connection with or immediately following such conveyance, transfer or lease.

10.6. Transactions with Affiliates.

The Company will not and will not permit any Subsidiary to enter into directly or indirectly any Material transaction or Material group of related transactions (including, without limitation, to the extent Material, the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except upon fair and reasonable terms that are not materially less favorable, taken as a whole, to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate; provided, that the foregoing restriction shall not apply to any of the following: (a) reasonable and customary fees paid to members of the board of directors (or similar governing body) of the Company and its Subsidiaries; (b) compensation arrangements (including severance arrangements to the extent approved by a majority of the disinterested members of the Company's or the applicable Subsidiary's board of directors (or similar governing body) or the applicable committee thereof) for present or former officers and other employees entered into in the ordinary course of business; (c) indemnities provided for the benefit of directors, officers or employees of the Company and its Subsidiaries in the ordinary course of business; and (d) loans and advances to employees of the Company and its Subsidiaries permitted hereunder, in each case under this clause (d), solely to the extent consistent with past practices and in the ordinary course of business. As used herein, "Material" shall mean an amount equal to at least 5% of book value of the consolidated assets of the Company and its Subsidiaries.

10.7. Terrorism Sanctions Regulations.

Neither Issuer will nor will it permit any Controlled Entity to (a) become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or (b) directly or indirectly have any investment in or engage in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Person if such investment, dealing or transaction (i) would be in violation of any U.S. Economic Sanctions applicable to such Issuer or such Controlled Entity, or (ii) would result in the imposition of any U.S. Economic Sanctions against such Issuer or such Controlled Entity, except, in the case of this clause (b), to the extent that such violation or sanctions, if imposed, could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Notwithstanding the foregoing, no covenant under this Section 10.7 is given by the German Issuer to the extent such covenant would constitute a violation by the German Issuer of EU Regulation (EC) 2271/96 or Section 7 of the German Foreign Trade regulation (*Außenwirtschaftsverordnung - AWV*), or a similar anti-boycott statute applicable to the German Issuer.

10.8. Line of Business.

The Company will not and will not permit any Subsidiary to engage in any business if, as a result, the general nature of the business in which the Company and its Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Company and its Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum.

10.9. Subsidiary Debt.

The Company will not permit any of its Subsidiaries to create or suffer to exist any Debt other than:

(a) Debt owed to the Company or any other Subsidiary of the Company;

(b) Debt existing on the date hereof and disclosed on Schedule 10.9 hereof;

(c) purchase money Debt or Debt with respect to Capital Leases incurred to finance the acquisition, repair, construction, improvement or lease of capital assets in an aggregate principal amount not to exceed $300,000,000 outstanding at any one time;

(d) Debt of any Subsidiary Guarantor (so long as the requirements of Section 9.8 shall have been met);

(e) endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(f) Debt of a Person existing at the time such Person is merged into or consolidated with the Company or any Subsidiary of the Company or becomes a Subsidiary of the Company or Debt of any Person that is assumed by a Subsidiary in connection with an acquisition of assets by such Subsidiary in an acquisition permitted hereunder, *provided* that such Debt shall not have been incurred in contemplation of such merger, consolidation or acquisition or such Person becoming a Subsidiary of the Company;

(g) Debt with respect to Swap Agreements incurred in the ordinary course of business and not for speculative purposes;

(h) Debt under bid bonds, performance bonds, surety bonds, bonds to secure statutory obligations (including obligations under workers compensation, unemployment insurance and other social security legislation) and similar obligations, in each case, incurred by such Subsidiaries in the ordinary course of business, including guarantees or obligations with respect to letters of credit supporting such bid bonds, performance bonds, surety bonds and similar obligations;

(i) Debt deemed to exist in connection with agreements providing for indemnification, adjustment of purchase price, deferred purchase price, escrow arrangements, earn-outs or similar obligations, or from guaranties, surety bonds or performance bonds securing the performance of the Company or any of its Subsidiaries pursuant to such agreements, in connection with acquisitions or dispositions permitted hereunder;

(j) Debt which serves to extend, replace, refund, renew, defease or refinance any Debt incurred under clause (b) or clause (f) of this Section 10.9 that does not increase the outstanding principal amount thereof (other than with respect to unpaid accrued interest and premiums (including tender premiums) thereon, any committed or undrawn amounts, defeasance costs, underwriting discounts, fees, commissions and expenses associated with such Debt); and

(k) additional Debt, *provided* that the sum (without duplication) of (i) the aggregate outstanding principal amount of Debt pursuant to this clause (k) *plus* (ii) the aggregate outstanding principal amount of Debt secured by Liens pursuant to Section 10.3(f) shall not at any time exceed 15% of Consolidated Net Worth (determined as of the end of the then most recently ended fiscal quarter of the Company for which financial statements have been provided pursuant to Section 7.1(a) or Section 7.1(b)).

11. Events of Default.

An "**Event of Default**" shall exist if any of the following conditions or events shall occur and be continuing:

(a) either Issuer defaults in the payment of any principal or Make-Whole Amount, Modified Make-Whole Amount or Net Loss, if any, on any Note issued by such Issuer when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) either Issuer defaults in the payment of any interest on any Note issued by such Issuer or the German Issuer defaults in the payment of any amount payable pursuant to Section 13, in either case for more than five Business Days after the same becomes due and payable; or

(c) (i) either Issuer defaults in the performance of or compliance with any term contained in Section 10, (ii) the Company defaults in the performance of or compliance with any term contained in Section 23, or (iii) any Subsidiary Guarantor defaults in the performance of or compliance with any term of the Subsidiary Guaranty beyond any period of grace or cure period provided with respect thereto; or

(d) either Issuer defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default or (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11); or

(e) any Subsidiary Guaranty ceases to be a legally valid, binding and enforceable obligation or contract of a Subsidiary Guarantor, or any Subsidiary Guarantor challenges the validity, binding nature or enforceability of any such Subsidiary Guaranty; or

(f) any representation or warranty made in writing by or on behalf of either Issuer or any Subsidiary Guarantor in this Agreement or any Subsidiary Guaranty or by any officer of either Issuer or any Subsidiary Guarantor in any writing furnished in connection with the transactions contemplated hereby or by any Subsidiary Guaranty proves to have been false or incorrect in any material respect on the date as of which made; or

(g) (i) either Issuer, any Material Subsidiary or any Subsidiary Guarantor is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest (in the payment amount of at least $100,000) on any Debt other than the Notes that is outstanding in an aggregate principal amount of at least $100,000,000 beyond any period of grace provided with respect thereto, or (ii) either Issuer, any Material Subsidiary or any Subsidiary Guarantor is in default in the performance of or compliance with any term of any instrument, mortgage, indenture or other agreement relating to any Debt other than the Notes in an aggregate principal amount of at least $100,000,000 or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared, due and payable, or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests or a prepayment or redemption required solely as a result of the proceeds of such Debt not having been applied to consummate a transaction or toward any other purpose for which such Debt was incurred), either Issuer, any Material Subsidiary or any Subsidiary Guarantor has become obligated to purchase or repay Debt other than the Notes before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $100,000,000; or

(h) either Issuer, any Material Subsidiary or any Subsidiary Guarantor (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction (including, but not limited to an insolvency proceeding, insolvency plan proceeding or other proceeding under the German Insolvency Act (*Insolvenzordnung*)), (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(i) a court or other Governmental Authority of competent jurisdiction enters an order appointing, without consent by either Issuer, any Material Subsidiary or any Subsidiary Guarantor, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of either Issuer, any Material Subsidiary or any Subsidiary Guarantor, or any such petition shall be filed against either Issuer, any Material Subsidiary or any Subsidiary Guarantor and such petition shall not be dismissed within 60 days; or

(j) any event occurs with respect to the German Issuer which under the laws of its jurisdiction of organization is analogous to any of the events described in Section 11(h) or Section 11(i), provided that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(h) or Section 11(i); or

(k) a final judgment or judgments at any one time outstanding for the payment of money aggregating in excess of $100,000,000 are rendered against one or more of either Issuer, any Material Subsidiary or any Subsidiary Guarantor and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(l) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under section 4042 of ERISA to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $100,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that could increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, could reasonably be expected to have a Material Adverse Effect.

As used in Section 11(l), the terms "*employee benefit plan*" and "*employee welfare benefit plan*" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

12. Remedies on Default, Etc.

12.1. Acceleration.

(a) If an Event of Default with respect to either Issuer described in paragraph (h), (i) or (j) of Section 11 (other than an Event of Default described in clause (i) of paragraph (h) or described in clause (vi) of paragraph (h) by virtue of the fact that such clause encompasses clause (i) of paragraph (h)) has occurred, all Notes of every Series then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 50% in aggregate principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Issuers, declare all Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing with respect to any Notes, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Issuer of such Notes, declare all the Notes held by such holder or holders to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (i) all accrued and unpaid interest thereon (including, but not limited to, interest accrued thereon at the Default Rate) plus (ii) the Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law) plus (iii) any Net Loss with respect to any Swapped Note, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. Each Issuer acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by such Issuer (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount or Modified Make-Whole Amount, as applicable, by such Issuer in the event that the Notes it issued are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

12.2. Other Remedies.

If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note or Subsidiary Guaranty, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 50.1% in aggregate principal amount of the Notes then outstanding, by written notice to the Issuers, may rescind and annul any such declaration and its consequences if (a) the Issuers have paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, and Net Loss, if any, on such Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and Net Loss, if any, and (to the extent permitted by applicable law) any overdue interest in respect of such Notes, at the Default Rate, (b) neither the Issuers nor any other Person shall have paid any amounts which have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to any Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

12.4. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement, any Subsidiary Guaranty or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting its obligations under Section 16, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

13. tax indemnification; fatca information.

(a) All payments whatsoever under the German Notes will be made by the German Issuer in Euros free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of the jurisdiction in which the German Issuer is resident for Tax purposes (or any political subdivision or any authority thereof or therein having the power to tax) (hereinafter a **"Taxing Jurisdiction"**), unless the withholding or deduction of such Tax is compelled by law.

(b) If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the German Issuer under this Agreement or the German Notes, the German Issuer will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a German Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of this Agreement or the German Notes after such deduction, withholding or payment (including any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of this Agreement or the German Notes in the absence of such Tax, *provided* that no payment of any additional amounts shall be required to be made for or on account of:

(i) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the German Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant German Note or the receipt of payments thereunder or the enforcement of rights under such German Note, including such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident of the relevant Taxing Jurisdiction, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, *provided* that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the German Issuer, after the date of the Closing, opening an office in, moving an office to, reincorporating in, or changing the Taxing Jurisdiction from or through which its payments on account of this Agreement or the German Notes are made to, the Taxing Jurisdiction imposing the relevant Tax; or

(ii) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the German Issuer) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), *provided* that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and *provided further* that such holder shall be deemed to have satisfied the requirements of this clause (b)(ii) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the German Issuer no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof); or

(iii) any such Taxes imposed on or with respect to any payment by the German Issuer to the holder of a German Note (following a written notice by the German Issuer not less than 30 days before the relevant payment) if such holder is a fiduciary or partnership, limited liability company or a person other than the sole beneficial owner of the German Note to the extent that such taxes, duties, assessments or governmental charges would not have been imposed on such payment had such holder been the beneficiary, settlor, member or sole beneficial owner of the relevant German Note; or

(iv) any estate, inheritance, gift, sales, transfer, excise, personal property or other similar taxes, duties, assessments or governmental charges imposed with respect to any German Note; or

(v) any combination of clauses (i) through (iv) above;

provided further that in no event shall the German Issuer be obligated to pay such additional amounts to any holder (i) not resident in the United States of America or any other jurisdiction in which an original Purchaser is resident for tax purposes on the date of the Closing in excess of the amounts that the German Issuer would be obligated to pay if such holder had been a resident of the United States of America or such other jurisdiction, as applicable, for purposes of, and eligible for the benefits of, any double taxation treaty from time to time in effect between the United States of America or such other jurisdiction and the relevant Taxing Jurisdiction or (ii) registered in the name of a nominee if under the law of the relevant Taxing Jurisdiction (or the current regulatory interpretation of such law) securities held in the name of a nominee do not qualify for an exemption from the relevant Tax and the German Issuer shall have given timely notice of such law or interpretation to such holder.

(c) By acceptance of any German Note, the holder of such German Note agrees, subject to the limitations of clause (b)(ii) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the German Issuer all such forms, certificates, documents and returns provided to such holder by the German Issuer (collectively, together with instructions for completing the same, " **Forms** ") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States and the relevant Taxing Jurisdiction and (y) provide the German Issuer with such information with respect to such holder as the German Issuer may reasonably request in order to complete any such Forms, provided that nothing in this Section 13(c) shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and provided further that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the German Issuer or mailed to the appropriate taxing authority, whichever is applicable, within 60 days following a written request of the German Issuer (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any German Note, at least 90 days prior to the relevant interest payment date.

(d) On or before the date of the Closing the German Issuer will furnish each Purchaser with copies of the appropriate Form (and English translation if required as aforesaid) currently required to be filed in Germany pursuant to Section 13(b)(ii), if any, and in connection with the transfer of any German Note the German Issuer will furnish the transferee of such German Note with copies of any Form and English translation then required.

(e) If any payment is made by the German Issuer to or for the account of the holder of any German Note after deduction for or on account of any Taxes, and increased payments are made by the German Issuer pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the German Issuer such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing contained in this paragraph (e) shall interfere with the right of the holder of any German Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any German Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in Section 13(b)(ii)) oblige any holder of any German Note to disclose any information relating to its tax affairs or any computations in respect thereof.

(f) The German Issuer will furnish the holders of German Notes, promptly and in any event within 60 days after the date of any payment by the German Issuer of any Tax in respect of any amounts paid by it under this Agreement or the German Notes, the original tax assessments, if any, issued by the relevant taxation or other authorities involved or other evidence of payment for all amounts paid as aforesaid (or if such original tax assessment is not available or must legally be kept in the possession of the German Issuer, a duly certified copy of the original tax assessment or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a German Note.

(g) If the German Issuer is required by any applicable law of the relevant Taxing Jurisdiction, as modified by the practice of the taxation or other authority of the relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the German Issuer would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any German Note, and such holder pays such liability, then the German Issuer will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the German Issuer) upon demand by such holder accompanied by an official tax assessment (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

(h) If the German Issuer makes payment to or for the account of any holder of a German Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the German Issuer (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver the relevant refund forms to the competent taxation or other authority, or as directed by the German Issuer, subject, however, to the same limitations with respect to Forms as are set forth above.

(i) The obligations of the German Issuer and the holders of the German Notes under this Section 13 shall survive the payment or transfer of any German Note and the provisions of this Section 13 shall also apply to successive transferees of the German Notes.

(j) By acceptance of any German Note, the holder of such German Note agrees that such holder will with reasonable promptness duly complete and deliver to the German Issuer, or to such other Person as may be reasonably requested by the German Issuer, from time to time (i) in the case of any such holder that is a United States Person, such holder's United States tax identification number or other Forms reasonably requested by the German Issuer necessary to establish such holder's status as a United States Person under FATCA and as may otherwise be necessary for the German Issuer to comply with its obligations under FATCA and (ii) in the case of any such holder that is not a United States Person, such documentation prescribed by applicable law (including as prescribed by section 1471(b)(3)(C)(i) of the Code) and such additional documentation as may be necessary for the German Issuer to comply with its obligations under FATCA and to determine that such holder has complied with such holder's obligations under FATCA or to determine the amount (if any) to deduct and withhold from any such payment made to such holder. Nothing in this Section 13(j) shall require any holder to provide information that is confidential or proprietary to such holder unless the German Issuer is required to obtain such information under FATCA and, in such event, the German Issuer shall treat any such information it receives as confidential.

14. Registration; Exchange; Substitution of Notes.

14.1. Registration of Notes.

The Company shall keep at its principal executive office a register for the registration and registration of transfers of all U.S. Notes and German Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and neither Issuer shall be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of the Notes.

14.2. Transfer and Exchange of Notes.

Upon surrender of any Note to the Issuer of such Note at the address and to the attention of the designated officer (all as specified in Section 19(iii)), for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other information for notices of each transferee of such Note or part thereof), within ten Business Days thereafter, such Issuer shall execute and deliver, at such Issuer's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same Series in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request in accordance with this Agreement, and shall be substantially in the form of the Note of such Series originally issued hereunder. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Issuer of such new Note may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than €100,000, *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than €100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.3, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Issuers, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA.

The Notes have not been registered under the Securities Act or under the securities laws of any state and may not be transferred or resold unless registered under the Securities Act and all applicable state securities laws or unless an exemption from the requirement for such registration is available.

14.3. Replacement of Notes.

Upon receipt by either Issuer at the address and to the attention of the designated officer (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any U.S. Note (in the case of the Company) or German Note (in the case of the German Issuer) (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

such Issuer at its own expense shall execute and deliver not more than five Business Days following satisfaction of such conditions, in lieu thereof, a new Note of the same Series as such lost, stolen, destroyed or mutilated Notes issued by such Issuer, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

15. Payments on Notes.

15.1. Place of Payment.

Subject to Section 15.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, Net Loss, if any, and interest becoming due and payable (a) on the U.S. Notes shall be made in New York, New York at the principal office of Bank of America, N.A. in such jurisdiction and (b) on the German Notes shall be made in Bensheim at the principal office of the German Issuer in such jurisdiction. Either Issuer may at any time, by notice to each holder of a U.S. Note (in the case of the Company) or German Note (in the case of the German Issuer), change the place of payment of such Notes so long as such place of payment shall be either the principal office of such Issuer in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

15.2. Home Office Payment.

So long as any Purchaser or such Purchaser's nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Issuer of such Note will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, Net Loss, if any, interest and all other amounts becoming due hereunder by the method and at the address specified for such purpose for such Purchaser on Schedule A hereto, or by such other method or at such other address as such Purchaser shall have from time to time specified to such Issuer in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of either Issuer made concurrently with or reasonably promptly after payment or prepayment in full of any Note issued by such Issuer, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to such Issuer at its principal executive office or at the place of payment most recently designated by such Issuer pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by any Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Issuer thereof in exchange for a new Note or Notes of such Series pursuant to Section 14.2. Each Issuer will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note issued by such Issuer and purchased by a Purchaser under this Agreement that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

16. Expenses, Etc.

16.1. Transaction Expenses.

Whether or not the transactions contemplated hereby are consummated, the Company will pay all out-of-pocket costs and expenses (including reasonable and documented attorneys' fees of a special counsel for the Purchasers and, if reasonably required by the Required Holders, local or other counsel) reasonably incurred by each Purchaser and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement, the Notes and any Subsidiary Guaranty (whether or not such amendment, waiver or consent becomes effective) including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement, the Notes or any Subsidiary Guaranty or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement, the Notes or any Subsidiary Guaranty, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of either Issuer or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby, by the Notes and any Subsidiary Guaranty and (c) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO provided that such costs and expenses under this clause (c) shall not exceed $30,500. The Company will pay, and will save each Purchaser and each other holder of a Note harmless from, (i) all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes) and (ii) any and all wire transfer fees that any bank deducts from any payment under such Note to such holder or otherwise charges to a holder of a Note with respect to a payment under such Note.

16.2. Survival.

The obligations of the Company under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement, the Notes or any Subsidiary Guaranty, and the termination of this Agreement.

17. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein or in any certificate or other instrument delivered by or on behalf of either Issuer pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any such Note or portion thereof or interest therein and the payment of any Note and may be relied upon by any subsequent holder of any such Note, regardless of any investigation made at any time by or on behalf of any Purchaser or any other holder of any such Note. Subject to the preceding sentence, this Agreement, the Notes and any Subsidiary Guaranty embody the entire agreement and understanding between the Purchasers and each Issuer and supersede all prior agreements and understandings relating to the subject matter hereof (other than the Issuers' undertakings with respect to any swap indemnity letter, in each case issued on or about October 4, 2016, which shall survive).

18. Amendment and Waiver.

18.1. Requirements.

This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Issuers and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 6 or 22 hereof, or any defined term (as it is used therein), will be effective as to any holder of Notes unless consented to by such holder of Notes in writing, and (b) no such amendment or waiver may, without the written consent of each holder of a Note at the time outstanding (exclusive of Notes then owned by the Issuers or any of their Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes), (A) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest (if such change results in a decrease in the interest rate), the Make-Whole Amount or Modified Make-Whole Amount, if any, or the Net Loss, Net Gain or Swap Breakage Amount, (B) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, (C) amend any of Sections 8, 11(a), 11(b), 12, 13, 18, 21 or 24.9, or (D) release the Company from the Unconditional Guaranty.

18.2. Solicitation of Holders of Notes.

(a) *Solicitation.* Each Issuer will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with such information as requested, in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes or any Subsidiary Guaranty. Each Issuer will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* Neither Issuer will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or any Subsidiary Guaranty or any Note unless such remuneration is concurrently paid, or security is concurrently granted or other credit support is concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent made pursuant to this Section 18 or any Subsidiary Guaranty by a holder of Notes that has transferred or has agreed to transfer its Notes to the Company (in the case of the U.S. Notes), the German Issuer (in the case of the German Notes), or any Subsidiary or Affiliate thereof and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such holder.

18.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 18 or any Subsidiary Guaranty applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Issuers without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Issuers and any holder of any Note nor any delay in exercising any rights hereunder or under any Note or Subsidiary Guaranty shall operate as a waiver of any rights of any Purchaser or holder of such Note. As used herein, the term " **this Agreement** " and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

18.4. Notes Held by Issuers, Etc.

Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Notes or any Subsidiary Guaranty, or have directed the taking of any action provided herein or in the Notes or any Subsidiary Guaranty to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

19. Notices; english language.

(a) Except to the extent otherwise provided in Section 7.4, all notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by an internationally recognized commercial delivery service (charges prepaid), (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by an internationally recognized commercial delivery service (with charges prepaid). Any such notice must be sent:

(i) if to a Purchaser or its nominee, to such Purchaser or its nominee at the address specified for such communications in Schedule A to this Agreement, or at such other address as such Purchaser or nominee shall have specified to the Issuers in writing pursuant to this Section 19;

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Issuers in writing pursuant to this Section 19, or

(iii) if to either Issuer, to such Issuer at the address set forth at the beginning hereof to the attention of Chief Financial Officer, with a copy to the General Counsel of the Company and the German Issuer, or at such other address as such Issuer shall have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

(b) Each document, instrument, financial statement, report, notice or other communication delivered in connection with this Agreement shall be in English or accompanied by an English translation thereof.

(c) This Agreement and the Notes have been prepared and signed in English and the parties hereto agree that the English version hereof and thereof (to the maximum extent permitted by applicable law) shall be the only version valid for the purpose of the interpretation and construction hereof and thereof notwithstanding the preparation of any translation into another language hereof or thereof, whether official or otherwise or whether prepared in relation to any proceedings which may be brought in Germany or any other jurisdiction in respect hereof or thereof.

20. Reproduction of Documents.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital, or other similar process and such Purchaser may destroy any original document so reproduced. The Issuers agree and stipulate that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit either Issuer or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from challenging the accuracy of any such reproduction.

21. Confidential Information.

For the purposes of this Section 21, "**Confidential Information**" means information delivered to any Purchaser by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Company or such Subsidiary, *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any Person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Company or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, *provided* that such Purchaser may deliver or disclose Confidential Information to (i) such Purchaser's directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's Notes), (ii) such Purchaser's financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which such Purchaser sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (v) any Person from which such Purchaser offers to purchase any security of either Issuer (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes, any Subsidiary Guaranty and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Issuers in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Issuers embodying the provisions of this Section 21.

In the event that as a condition to receiving access to information relating to the Company or its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement, any Purchaser or holder of a Note is required to agree to a confidentiality undertaking (whether through IntraLinks, another secure website, a secure virtual workspace or otherwise) which is different from this Section 21, this Section 21 shall not be amended thereby and, as between such Purchaser or such holder and the Company, this Section 21 shall supersede any such other confidentiality undertaking.

22. Substitution of Purchaser.

Each Purchaser shall have the right to substitute any one of its Affiliates or another Purchaser or any one of such other Purchaser's Affiliates (a " **Substitute Purchaser** ") as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Issuer thereof, which notice shall be signed by both such Purchaser and such Substitute Purchaser, shall contain such Substitute Purchaser's agreement to be bound by this Agreement and shall contain a confirmation by such Substitute Purchaser of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Substitute Purchaser in lieu of such original Purchaser. In the event that such Substitute Purchaser is so substituted as a Purchaser hereunder and such Substitute Purchaser thereafter transfers to such original Purchaser all of the Notes then held by such Substitute Purchaser, upon receipt by the Issuer or Issuers of such Notes of notice of such transfer, any reference to such Substitute Purchaser as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Substitute Purchaser, but shall refer to such original Purchaser and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

23. PARENT GUARANTY.

23.1. Unconditional Guaranty.

The Company hereby irrevocably and unconditionally guarantees to each holder of German Notes, the due and punctual payment in full of (a) the principal of, Make-Whole Amount, if any, Modified Make-Whole Amount, if any, Net Loss, if any, and interest on (including, without limitation, interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization, insolvency proceeding, insolvency plan proceeding or other proceeding under the German Insolvency Act (*Insolvenzordnung*) or like proceeding, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), and any other amounts due under the German Notes, when and as the same shall become due and payable (whether at stated maturity or by required or optional prepayment or by acceleration or otherwise), and (b) any other sums which may become due under the terms and provisions of this Agreement, the German Notes or any Subsidiary Guaranty in respect of the obligations of the German Issuer (all such obligations described in clauses (a) and (b) above are herein called the " **Guaranteed Obligations** "). The guaranty in the preceding sentence (the " **Unconditional Guaranty** ") is an absolute, present and continuing guaranty of payment and not of collectibility and is in no way conditional or contingent upon any attempt to collect from the German Issuer or any other guarantor of the German Notes or upon any other action, occurrence or circumstance whatsoever. In the event that the German Issuer shall fail so to pay any of such Guaranteed Obligations, the Company agrees to pay the same when due to the holders of German Notes entitled thereto, without demand, presentment, protest or notice of any kind, in Euros, pursuant to the requirements for payment specified in this Agreement and the German Notes. Each default in payment of any of the Guaranteed Obligations shall give rise to a separate cause of action hereunder and separate suits may be brought hereunder as each cause of action arises. The Company agrees that the German Notes issued in connection with this Agreement may (but need not) make reference to this Section 23.

The Company agrees to pay and to indemnify and save each holder of German Notes harmless from and against any damage, loss, cost or expense (including attorneys' fees) which such holder may incur or be subject to as a consequence, direct or indirect, of (x) any breach by the Company (as Guarantor) or by the German Issuer of any warranty, covenant, term or condition in, or the occurrence of any default under, this Agreement, the German Notes or any Subsidiary Guaranty in respect of the obligations of the German Issuer, together with all expenses resulting from the compromise or defense of any claims or liabilities arising as a result of any such breach or default, (y) any legal action commenced to challenge the validity or enforceability of this Agreement, the German Notes or any Subsidiary Guaranty in respect of the obligations of the German Issuer and (z) enforcing or defending (or determining whether or how to enforce or defend) the provisions of this Section 23.

The Company hereby acknowledges and agrees that its liability hereunder is joint and several with any other Person(s) who may guarantee the obligations and Debt of the German Issuer under and in respect of this Agreement and the German Notes.

23.2. Obligations Absolute and Unconditional.

The Guaranteed Obligations of the Company hereunder shall be primary, absolute, irrevocable and unconditional, irrespective of the validity or enforceability of this Agreement, the German Notes or any other instrument referred to herein or therein, shall not be subject to any counterclaim, setoff, deduction or defense based upon any claim the Company may have against the German Issuer or any holder of German Notes or otherwise, and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected by, any circumstance or condition whatsoever (whether or not the Company shall have any knowledge or notice thereof), including, without limitation:

(a) any amendment to, modification of, supplement to or restatement of this Agreement, the German Notes or any other instrument referred to herein or therein (it being agreed that the obligations of the Company hereunder shall apply to this Agreement, the German Notes or any such other instrument as so amended, modified, supplemented or restated) or any assignment or transfer of any interest therein, or any furnishing, acceptance or release of any security for the German Notes;

(b) any waiver, consent, extension, indulgence or other action or inaction under or in respect of this Agreement, the German Notes or any other instrument referred to herein or therein;

(c) any bankruptcy, insolvency, arrangement, reorganization, readjustment, composition, liquidation or similar proceeding with respect to the German Issuer or its property;

(d) any merger, amalgamation or consolidation of the Company or of the German Issuer into or with any other Person or any sale, lease or transfer of any or all of the assets of the Company or of the German Issuer to any Person;

(e) any failure on the part of the German Issuer for any reason to comply with or perform any of the terms of any other agreement with the Company;

(f) any failure on the part of any holder of German Notes to obtain, maintain, register or otherwise perfect any security; or

(g) any other event or circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (whether or not similar to the foregoing), and in any event however material or prejudicial it may be to the Company or to any subrogation, contribution or reimbursement rights the Company may otherwise have.

The Company covenants that its obligations hereunder will not be discharged except by indefeasible payment in full in cash of all of the Guaranteed Obligations and all other obligations hereunder.

23.3. Certain Waivers.

The Company unconditionally waives, to the fullest extent permitted by law, (a) notice of acceptance hereof, of any action taken or omitted in reliance hereon and of any default by the German Issuer in the payment of any amounts due under this Agreement, the German Notes or any other instrument referred to herein or therein, and of any of the matters referred to in Section 23.2 hereof, (b) all notices which may be required by statute, rule of law or otherwise to preserve any of the rights of any holder of German Notes against the Company, including, without limitation, presentment to or demand for payment from the German Issuer or the Company with respect to any German Note, notice to the German Issuer or to the Company of default or protest for nonpayment or dishonor and the filing of claims with a court in the event of the bankruptcy of the German Issuer, (c) any right to require any holder to enforce, assert or exercise any right, power or remedy including, without limitation, any right, power or remedy conferred in this Agreement or the German Notes, (d) any requirement for diligence on the part of any holder of German Notes and (e) any other act or omission or thing or delay in doing any other act or thing which might in any manner or to any extent vary the risk of the Company or otherwise operate as a discharge of the Company or in any manner lessen the obligations of the Company hereunder.

23.4. Obligations Unimpaired.

The Company authorizes the holders of German Notes, without notice or demand to the Company and without affecting its obligations hereunder, from time to time: (a) to renew, compromise, extend, accelerate or otherwise change the time for payment of, all or any part of this Agreement, the German Notes or any other instrument referred to herein or therein; (b) to change any of the representations, covenants, events of default or any other terms or conditions of or pertaining to this Agreement, the German Notes or any other instrument referred to herein or therein, including, without limitation, decreases or increases in amounts of principal, rates of interest, the Make-Whole Amount, Modified Make-Whole Amount, Net Loss or any other obligation; (c) to take and hold security for the payment of the German Notes, for the performance of this Agreement or otherwise for the Debt guaranteed hereby and to exchange, enforce, waive, subordinate and release any such security; (d) to apply any such security and to direct the order or manner of sale thereof as the holders of German Notes in their sole discretion may determine; (e) to obtain additional or substitute endorsers or guarantors; (f) to exercise or refrain from exercising any rights against the German Issuer and others; and (g) to apply any sums, by whomsoever paid or however realized, to the payment of the Guaranteed Obligations and all other obligations owed hereunder. The holders of German Notes shall have no obligation to proceed against any additional or substitute endorsers or guarantors or to pursue or exhaust any security provided by the German Issuer, the Company or any other Person or to pursue any other remedy available to the holders of German Notes.

If an event permitting the acceleration of the maturity of the principal amount of any German Notes shall exist and such acceleration shall at such time be prevented or the right of any holder of German Notes to receive any payment on account of the Guaranteed Obligations shall at such time be delayed or otherwise affected by reason of the pendency against the German Issuer, the Company or any other guarantors of a case or proceeding under a bankruptcy or insolvency law, the Company agrees that, for purposes of the Unconditional Guaranty, the maturity of such principal amount shall be deemed to have been accelerated with the same effect as if the holder thereof had accelerated the same in accordance with the terms of Section 23.1, and the Company shall forthwith pay such accelerated Guaranteed Obligations.

23.5. Subrogation and Subordination.

(a) The Company will not exercise any rights which it may have acquired by way of subrogation under this Section 23, by any payment made under the Unconditional Guaranty or otherwise, or accept any payment on account of such subrogation rights, or any rights of reimbursement, contribution or indemnity or any rights or recourse to any security for the German Notes or the Unconditional Guaranty unless and until all of the Guaranteed Obligations shall have been indefeasibly paid in full in cash.

(b) The Company hereby subordinates the payment of all Debt and other obligations of the German Issuer or any other guarantor of the Guaranteed Obligations owing to the Company, whether now existing or hereafter arising, including, without limitation, all rights and claims described in clause (a) of this Section 23.5, to the indefeasible payment in full in cash of all of the Guaranteed Obligations. If the Required Holders so request, any such Debt or other obligations shall be enforced and performance received by the Company as trustee for the holders of German Notes and the proceeds thereof shall be paid over to the holders of German Notes promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Company under the Unconditional Guaranty.

(c) If any amount or other payment is made to or accepted by the Company in violation of any of the preceding clauses (a) and (b) of this Section 23.5, such amount shall be deemed to have been paid to the Company for the benefit of, and held in trust for the benefit of, the holders of German Notes and shall be paid over to the holders of German Notes promptly, in the form received (together with any necessary endorsements) to be applied to the Guaranteed Obligations, whether matured or unmatured, as may be directed by the Required Holders, but without reducing or affecting in any manner the liability of the Company under the Unconditional Guaranty.

(d) The Company acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Unconditional Guaranty and that its agreements set forth in this Section 23 are knowingly made in contemplation of such benefits.

23.6. Term; Reinstatement of Unconditional Guaranty.

The Unconditional Guaranty and all covenants and agreements of the Company contained in this Section 23 shall continue in full force and effect and shall not be discharged until such time as all of the Guaranteed Obligations and all other obligations hereunder shall be indefeasibly paid in full in cash. Notwithstanding the foregoing, the Unconditional Guaranty shall continue to be effective, or be reinstated, as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to any holder of German Notes on account of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by a holder of German Notes upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the German Issuer or any other guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the German Issuer or any other guarantors or any part of its or their property, or otherwise, all as though such payments had not been made.

24. Miscellaneous.

24.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

24.2. Payments Due on Non-Business Days.

Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.6 that the notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of or Make-Whole Amount or Modified Make-Whole Amount, interest or Net Loss on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

24.3. Accounting Terms; GAAP; Pro Forma Calculations.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature used herein shall be construed in accordance with generally accepted accounting principles in the United States of America as in effect from time to time (" **GAAP** "); *provided* that, if the Company notifies each holder of the Notes that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Required Holders notify the Company that the Required Holders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (a) without giving effect to any election under Accounting Standards Codification 825-10-25 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Company or any Subsidiary at "fair value", as defined therein, (b) without giving effect to any treatment of Debt in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall at all times be valued at the full stated principal amount thereof, and (c) without giving effect to any change to GAAP occurring after the date hereof as a result of the adoption of any proposals set forth in the *Proposed Accounting Standards Update, Leases (Topic 840)* , issued by the Financial Accounting Standards Board on August 17, 2010, or any other proposals issued by the Financial Accounting Standards Board in connection therewith, in each case if such change would require treating any lease (or similar arrangement conveying the right to use) as a capital lease where such lease (or similar arrangement) would not have been required to be so treated under GAAP as in effect on the date hereof.

(b) All pro forma computations required to be made hereunder giving effect to any acquisition, disposition or issuance, incurrence or assumption of Debt, or other transaction shall in each case be calculated after giving pro forma effect thereto (and, in the case of any pro forma computation made hereunder, to determine whether such acquisition, disposition or issuance, incurrence or assumption of Debt or other transaction is permitted to be consummated hereunder) immediately after giving effect to such acquisition, disposition or issuance, incurrence or assumption of Debt (and to any other such transaction consummated since the first day of the period for which such pro forma computation is being made and on or prior to the date of such computation) as if such transaction had occurred on the first day of the Reference Period most recently ended for which financial statements shall have been delivered pursuant to Section 7.1(a) or 7.1(b), and, to the extent applicable, the historical earnings and cash flows associated with the assets acquired or disposed of, any related incurrence or reduction of Debt and any related cost savings, operating expense reductions and synergies, all in accordance with (and, in the case of cost savings, operating expense reductions and synergies, to the extent permitted by) Article 11 of Regulation S-X under the Securities Act. If any Debt bears a floating rate of interest and is being given pro forma effect, the interest on such Debt shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period for which such pro forma computation is being made (taking into account any Swap Agreement applicable to such Debt).

24.4. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

24.5. Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

24.6. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

24.7. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would permit the application of the laws of a jurisdiction other than such State.

24.8. Jurisdiction and Process; Waiver of Jury Trial.

(a) Each Issuer irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan, The City of New York, over any suit, action or proceeding arising out of or relating to this Agreement or the Notes. To the fullest extent permitted by applicable law, each Issuer irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Issuer consents to process being served by or on behalf of any holder of Notes in any suit, action or proceeding of the nature referred to in Section 24.8(a) by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, return receipt requested, to the Company at its address specified in Section 19 or at such other address of which such holder shall then have been notified pursuant to said Section. Each Issuer agrees that such service upon receipt (i) shall be deemed in every respect effective service of process upon it in any such suit, action or proceeding and (ii) shall, to the fullest extent permitted by applicable law, be taken and held to be valid personal service upon and personal delivery to it. Notices hereunder shall be conclusively presumed received as evidenced by a delivery receipt furnished by the United States Postal Service or any reputable commercial delivery service.

(c) Nothing in this Section 24.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against either Issuer in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) The parties hereto hereby waive trial by jury in any action brought on or with respect to this Agreement, the Notes, any Subsidiary Guaranty or any other document executed in connection herewith or therewith.

(e) The German Issuer hereby irrevocably appoints the Company to receive for it, and on its behalf, service of process in the United States, and the Company hereby accepts its irrevocable appointment as agent for service of process by the German Issuer from the date of the Closing to the date that is 1 year after maturity of the latest maturing German Notes.

24.9. Obligation to Make Payment in Euros.

Subject to Section 8.11, any payment on account of an amount that is payable hereunder or under the Notes in Euros which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of either Issuer or any Subsidiary, shall constitute a discharge of the obligation of such Issuer under this Agreement or the Notes only to the extent of the amount of Euros which such holder could purchase in the foreign exchange markets in London, England, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the London Banking Day following receipt of the payment first referred to above. If the amount of Euros that could be so purchased is less than the amount of Euros originally due to such holder, each Issuer agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in this Agreement and the Notes, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under the Notes or under any judgment or order. As used herein the term " **London Banking Day** " shall mean any day other than Saturday or Sunday or a day on which commercial banks are required or authorized by law to be closed in London, England.

24.10. Change of Currency.

(a) *Change of Euro Currency*. If at any time the Euro ceases to exist, the references in, and obligations arising under, this Agreement expressed in Euros shall be translated into a new currency or currency unit agreed upon by the Required Holders and the Issuers in the manner agreed by the Required Holders and the Issuers. Any such translation shall be made at the official rate of exchange recognized for that purpose by the Citibank, N.A., rounded up or down as agreed by the Required Holders and the Issuers.

(b) *Amendments to this Agreement*. Where such a change in currency occurs, this Agreement shall be amended and shall take effect in the manner agreed by the Required Holders and the Issuers so as to reflect that change and make all necessary changes to the covenants contained in Section 9 and Section 10 and to such other provisions of this Agreement that refer to Euros as deemed reasonably necessary and, so far as practicable, to place the Issuers and the holders of the Notes in the substantially identical position each would have been in had no change in currency occurred. The Issuers and the holders of the Notes agree to use all reasonable efforts to execute and deliver all amendments to this Agreement which are necessary to effectuate this Section 24.10.

* * * * *

The execution hereof by the Purchasers shall constitute a contract among the Issuers and the Purchasers for the uses and purposes hereinabove set forth. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

Very truly yours,

DENTSPLY SIRONA INC.

By: /s/ William E. Reardon
Name: William E. Reardon
Title: Vice President & Treasurer

By: /s/ Andrew M. Smith
Name: Andrew M. Smith
Title: Assistant Treasurer

SIRONA DENTAL SERVICES GMBH

By: /s/ Rainer Berthan
Name: Rainer Berthan
Title: Managing Director

By: /s/ Michael Geil
Name: Michael Geil
Title: Managing Director

Accepted as of the date first written above.

METROPOLITAN LIFE INSURANCE COMPANY

METLIFE INSURANCE COMPANY USA
By: Metropolitan Life Insurance Company, its Investment Manager

GENERAL AMERICAN LIFE INSURANCE COMPANY

By: Metropolitan Life Insurance Company, its Investment Manager

By: /s/ John A. Wills
Name: John A. Wills
Title: Senior Vice President and Managing Director

NEW YORK LIFE INSURANCE COMPANY

By: /s/ A. Post Howland
Name: A. Post Howland
Title: Vice President

NEW YORK LIFE INSURANCE AND ANNUITY CORPORATION
By: NYL Investors LLC, its Investment Manager

By: /s/ A. Post Howland
Name: A. Post Howland
Title: Managing Director

NATIONWIDE LIFE INSURANCE COMPANY

By: /s/ Stephen M. Jordan
Name: Stephen M. Jordan
Title: Authorized Signatory

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: Northwestern Mutual Investment Management Company, LLC,
its investment adviser

By: /s/ Mark E. Kishier
Name: Mark E. Kishier
Title: Managing Director

MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY

By: Barings LLC, as Investment Adviser

By: /s/ Andrew T. Kleeman
Name: Andrew T. Kleeman
Title: Managing Director

[Signature page to Note Purchase and Guarantee Agreement - Dentsply]

ALLIANZ LIFE INSURANCE COMPANY OF NORTH AMERICA

By: Allianz Investment Management LLC
as the authorized signatory and investment manager

By: /s/ Charles J. Dudley
Name: CHARLES J. DUDLEY
Title: MANAGING DIRECTOR

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
HARTFORD ACCIDENT AND INDEMNITY COMPANY
HARTFORD LIFE INSURANCE COMPANY
SEPARATE ACCOUNT B, A SEPARATE ACCOUNT OF HARTFORD LIFE INSURANCE COMPANY

By: Hartford Investment Management Company
Their Agent and Attorney-in-Fact

By: /s/ John Knox
Name: JOHN KNOX
Title: SENIOR VICE PRESIDENT

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

By: Delaware Investment Advisers,
a series of Delaware Management Business Trust,
Attorney in Fact

By: /s/ Philip Lee
Name: Philip Lee
Title: Vice President

[Signature page to Note Purchase and Guarantee Agreement - Dentsply]

THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA

By: /s/ Thomas M. Donohue
Name: Thomas M. Donohue
Title: Managing Director

GREAT-WEST LIFE & ANNUITY INSURANCE COMPANY

By: /s/ Eve Hampton
Name: Eve Hampton
Title: Vice President, Investments

By: /s/ Tad Anderson
Name: Tad Anderson
Title: Assistant Vice President, Investments

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Tannis Fussell
Name: TANNIS FUSSELL
Title: Vice President

PRUDENTIAL LEGACY INSURANCE COMPANY OF NEW JERSEY

By: PGIM, Inc., as investment manager

By: /s/ Tannis Fussell
Name: TANNIS FUSSELL
Title: Vice President

PRUCO LIFE INSURANCE COMPANY OF NEW JERSEY

By: /s/ Tannis Fussell
Name: TANNIS FUSSELL
Title: Assistant Vice President

SCHEDULE B

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"**Additional Payments**" is defined in Section 8.9(d).

"**Affected Noteholder**" is defined within the definition of "Noteholder Sanctions Event".

"**Affected Notes**" is defined in Section 8.8(a).

"**Affiliate**" means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, " *Control* " means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an " *Affiliate* " is a reference to an Affiliate of the Company.

"**Agreement**" is defined in Section 18.3.

"**Anti-Corruption Laws**" is defined in Section 5.16(d)(1).

"**Anti-Money Laundering/Anti-Terrorism Laws**" is defined in Section 5.16(c).

"**Applicable Percentage"** in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.9 means 1.0% (100 basis points), and in the case of a computation of the Make-Whole Amount for any other purpose means 0.50% (50 basis points).

"**Bank Credit Agreements**" means (a) the RCF; (b) that certain Credit Agreement, dated as of August 26, 2013, by and among the Company, PNC Bank, National Association, as administrative agent, the lenders party thereto and the other financial institutions party thereto, as amended by that certain Amendment No. 1 dated as of November 30, 2015, as the same may be further amended, restated, amended and restated, joined, supplemented or otherwise modified from time to time, and any renewals, extensions or replacements thereof; and (c) that certain Loan Agreement, dated as of September 22, 2014, by and among the Company, the lenders party thereto, and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as administrative agent, and the other financial institutions party thereto, as the same may be further amended, restated, amended and restated, joined, supplemented or otherwise modified from time to time, and any renewals, extensions or replacements thereof, which, collectively, constitute the primary bank credit facilities of the Company and its Subsidiaries.

"**Blocked Person**" is defined in Section 5.16(a).

"**Business Day**" means (a) other than as provided in clause (b) below, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York or Frankfurt, Germany are required or authorized to be closed and which is not a TARGET Settlement Day, and (b) for purposes of Section 8.10, any date which is both (i) any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed and (ii) a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system (or any successor thereto) is open for settlement of payments in Euros (a " **TARGET Settlement Day** ").

"**Capital Lease**" means any lease that has been or is required to be, in accordance with GAAP, recorded as a capitalized lease; *provided* that for all purposes hereunder, the amount of obligations under any Capital Lease shall be the amount thereof accounted for as a liability on a balance sheet in accordance with GAAP.

"**CFC**" means a Person that is a controlled foreign corporation under Section 957 of the Code.

"**Change in Tax Law**" is defined in Section 8.9(d).

"**Change of Control**" means any of the following events or circumstances: (a) any Person or related Persons constituting a "group" for purposes of Section 14(d) of the Exchange Act shall have acquired "beneficial ownership" of a majority of the Voting Stock of the Company, (b) during any period of up to 24 consecutive months commencing after the date of this Agreement, individuals who at the beginning of such 24-month period were directors of the Company shall cease for any reason (other than due to death or disability) to constitute a majority of the board of directors of the Company (except to the extent that individuals who at the beginning of such 24-month period were replaced by individuals (x) elected by a majority of the remaining members of the board of directors of the Company, (y) nominated for election by a majority of the remaining members of the board of directors of the Company and thereafter elected as directors by the shareholders of the Company or (z) whose election or nomination was approved by a majority of the remaining members of the board of directors of the Company), or (c) solely in respect of the German Notes, the German Issuer shall no longer be a Subsidiary of the Company.

"**Closing**" is defined in Section 3.

"**Closing Date**" is defined in Section 3.

"**Code**" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"**Company**" is defined in the introductory paragraph of this Agreement.

"**Confidential Information**" is defined in Section 21.

"**Consignment Agreements**" means, collectively, (a) that certain Consignment Agreement dated as of February 15, 2002 by and between Umicore AG & Co. KG and the Company, (b) that certain Consignment Agreement dated as of December 6, 2010 by and as amended February 8, 2013 between HSBC Bank USA, National Association and the Company, (c) that certain Consignment and Forward Contracts Agreement dated as of November 30, 2001, as amended October 19, 2006 by and between The Bank of Nova Scotia and the Company, (d) that certain Consignment Agreement dated as of January 30, 2002 by and between Commerzbank AG, Frankfurt and the Company, (e) that certain Consignment Agreement dated as of December 20, 2001 by and between JPMorgan Chase Bank and the Company, (f) that certain Consignment Agreement dated as of December 20, 2001 by and between Mitsui & Co., Precious Metals Inc. and the Company, and (g) that certain Consignment Agreement dated as of April 29, 2013 by and between The Toronto-Dominion Bank and the Company, in each case as each may be amended, restated, supplemented or otherwise modified from time to time.

"**Consolidated**" means the consolidation of accounts in accordance with GAAP.

"**Controlled Entity**" means any of the Subsidiaries of the Company and any of their or the Company's respective Controlled Affiliates. As used in this definition, **"Control"** means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Debt**" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than trade payables not overdue by more than 60 days incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as Capital Leases, (f) all obligations, contingent or otherwise, of such Person in respect of acceptances, letters of credit or similar extensions of credit, (g) all obligations of such Person in respect of Swap Agreements, (h) all debt of others referred to in clauses (a) through (g) above or clause (i) below (collectively, " **Guaranteed Debt** ") guaranteed directly or indirectly in any manner by such Person, or in effect guaranteed directly or indirectly by such Person through an agreement (1) to pay or purchase such Guaranteed Debt or to advance or supply funds for the payment or purchase of such Guaranteed Debt, (2) to purchase or lease property or services, primarily for the purpose of enabling the debtor to make payment of such Guaranteed Debt or to assure the holder of such Guaranteed Debt against loss, (3) to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether such property is received or such services are rendered) or (4) otherwise to assure a creditor against loss, and (i) all Debt referred to in clauses (a) through (h) above (including Guaranteed Debt) secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (and if such Person has not assumed or become liable for such Debt of others, then the amount of Debt of such Person shall be the lesser of (A) the amount of such Debt of others and (B) the fair market value of such property, as determined by such Person in good faith); provided that , Debt of the Company and its Subsidiaries shall not include (i) Debt incurred in connection with the Consignment Agreements relating to the consignment of precious metals between the Company and certain counterparties or (ii) unfunded pension obligations.

"**Default**" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"**Default Rate**" means, with respect to the Notes of any Series, the rate of interest that is the greater of (a) 2% per annum above the rate of interest then in effect pursuant to clause (a) of the first paragraph of such Notes or (b) 2% over the rate or interest publicly announced by JPMorgan Chase Bank in New York, New York as its "base" or "prime" rate.

"**Disclosure Documents**" is defined in Section 5.3.

"**Dollars**" or "**$**" means the lawful currency of the United States of America.

"**Domestic Subsidiary**" means any Subsidiary that is not a Foreign Subsidiary.

"**EBITDA**" means, for any period, net income (or net loss) plus the sum of (a) interest expense, (b) income tax expense, (c) depreciation expense, (d) amortization expense, (e) other non-cash charges (less unusual or non-recurring non-cash income or gains), (f) any extraordinary, non-recurring or unusual fees, expenses or other charges incurred in connection with any acquisition or merger consummated by the Company or a Subsidiary (including the issuance or repayment of Debt related to such acquisition or merger), and any corporate reorganization and integration activities which are related to such acquisition or merger, in each case determined in accordance with GAAP for such period and (g) charges and expenses incurred prior to December 31, 2018 in connection with the Company's publicly announced efficiency initiatives, which includes, but is not limited to, costs and expenses in connection with discontinued operations, retention, severance and related employee benefits, systems establishment costs, excess pension charges, contract termination costs, costs to close and/or consolidate facilities and relocate employees, integration costs, other business optimization costs and costs associated with establishing new facilities or reserves deducted (and not added back) in such period not exceeding $200,000,000 in the aggregate for such period, provided that the aggregate amount available to be added back pursuant to this clause (g) shall not exceed $200,000,000 during the term of this Agreement. For the purposes of calculating EBITDA for any period of four (4) consecutive fiscal quarters (each such period, a " **Reference Period** "), (i) if at any time during such Reference Period the Company or any Subsidiary shall have made any Material Disposition, the EBITDA for such Reference Period shall be reduced by an amount equal to the EBITDA (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the EBITDA (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Company or any Subsidiary shall have made a Material Acquisition, EBITDA for such Reference Period shall be calculated after giving effect thereto on a Pro Forma Basis as if such Material Acquisition occurred on the first day of such Reference Period.

"**Environmental Laws**" means any and all federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"**Euro**" or "**€**" means the unit of single currency of the Participating Member States.

"**Event of Default**" is defined in Section 11.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Fair Market Value**" means, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell), as reasonably determined in good faith by the Company.

"**FATCA**" means (a) sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), together with any current or future regulations or official interpretations thereof, (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of the foregoing clause (a), and (c) any agreements entered into pursuant to section 1471(b)(1) of the Code.

"**Foreign Subsidiary**" means any Subsidiary (a) that is a CFC, or (b) all or substantially all of the assets of which consist of equity interests in one or more CFCs as determined by the Company and certified to the holders of Notes from time to time.

"**Form**" is defined in Section 13(c).

"**GAAP**" is defined in Section 24.3.

"**German Issuer**" is defined in the introductory paragraph of this Agreement.

"**German Notes**" is defined in Section 1.2.

"**Governmental Authority**" means

(a) the government of

(i) Germany, the United States of America or any state or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which has jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Governmental Official**" means any governmental official or employee, employee of any government-owned or government-controlled entity, political party, any official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity.

"**Guaranteed Obligations**" is defined in Section 23.1.

"**Hazardous Material**" means any and all pollutants, toxic or hazardous wastes or other substances that might pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law including, but not limited to, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**holder**" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Issuer of such Note pursuant to Section 14.1.

"**INHAM Exemption**" is defined in Section 6.3(e).

"**Institutional Investor**" means (a) any original purchaser of a Note, (b) any holder of more than $2,000,000 of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"**ISDA Master Agreement**" is defined in Section 8.11.

"**Issuer**" and "**Issuers**" is defined in the introductory paragraph of this Agreement.

"**Lien**" means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

"**Make-Whole Amount**" is defined in Section 8.10.

"**Manager's Certificate**" means a certificate of a managing director (*Geschäftsführer*) of the German Issuer whose responsibilities extend to the subject matter of such certificate.

"**Material**" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole.

"**Material Acquisition**" means any acquisition (whether by purchase, merger, consolidation or otherwise) by the Company or any Subsidiary of property or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all or any significant portion of a business or operating unit of a business, or (ii) all or substantially all of the common stock or other equity interests of a Person, and (b) involves the payment of consideration by the Company and its Subsidiaries in excess of $200,000,000.

"**Material Adverse Effect**" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, (b) the ability of the Issuers to perform their obligations under this Agreement and the Notes, (c) the ability of any Subsidiary Guarantor that is a Material Subsidiary to perform its obligations under the Subsidiary Guaranty (if any) or (d) the validity or enforceability of this Agreement, the Notes or the Subsidiary Guaranty (if any).

"**Material Disposition**" means any sale, transfer or disposition of property or series of related sales, transfers, or dispositions of property (other than transactions among the Company and its Subsidiaries) that yields gross proceeds to the Company or any of its Subsidiaries in excess of $200,000,000.

"**Material Subsidiary**" means, at any time, any Subsidiary of the Company which, together with all other Subsidiaries of such Subsidiary, accounts for more than (a) 5% of the Consolidated assets of the Company and its Subsidiaries, determined as of the end of the then most recently ended fiscal quarter of the Company or (b) 5% of Consolidated revenue of the Company and its Subsidiaries, determined for the then most recently ended period of four consecutive fiscal quarters of the Company.

"**Maturity Date**" is defined in the first paragraph of each Note.

"**Memorandum**" is defined in Section 5.3.

"**Modified Make-Whole Amount**" is defined in Section 8.10.

"**Multiemployer Plan**" means any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).

"**NAIC**" means the National Association of Insurance Commissioners or any successor thereto.

"**NAIC Annual Statement**" is defined in Section 6.3(a).

"**Net Gain**" is defined in Section 8.11.

"**Net Loss**" is defined in Section 8.11.

"**Net Worth**" means the consolidated stockholder's equity of the Company and its Subsidiaries, as defined according to GAAP.

"**New Swap Agreement**" is defined in Section 8.10(b).

"**Non-Swapped Note**" is defined in Section 8.10(a).

"**Non-U.S. Plan**" means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Company or any Subsidiary primarily for the benefit of employees of the Company or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

"**Noteholder Sanctions Event**" means, with respect to any holder of a Note (an "**Affected Noteholder** "), such holder or any of its Affiliates being in violation of or the target of any U.S. Economic Sanctions as a result of the Company or any Controlled Entity becoming a Blocked Person or, directly or indirectly, having any investment in or engaging in any dealing or transaction (including any investment, dealing or transaction involving the proceeds of the Notes) with any Blocked Person.

"**Note**" and "**Notes**" is defined in Section 1.2.

"**OFAC**" is defined in Section 5.16(a).

"**OFAC Listed Person**" is defined in Section 5.16(a).

"**OFAC Sanctions Program**" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"**Officer's Certificate**" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"**Original Swap Agreement**" is defined in Section 8.10(b).

"**Participating Member State**" means any member state of the European Community that adopts or has adopted the euro as its lawful currency in accordance with legislation of the European Community relating to Economic Monetary Union.

"**PBGC**" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"**Permitted Jurisdiction**" means (a) the United States of America, (b) Germany and (c) any other country that on April 30, 2004 was a member of the European Union (other than Greece, Portugal, Ireland, Spain and Italy).

"**Permitted Lien**" means each of the following: (a) Liens for taxes, assessments and governmental charges or levies to the extent not required to be paid under Section 9.4 hereof; (b) Liens imposed by law, such as landlords', banks' (and rights of set-off), warehousemen's, materialmen's, mechanics', carriers', workmen's and repairmen's Liens and other similar Liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 30 days; (c) pledges or deposits to secure obligations under workers' compensation laws, laws related to unemployment insurance and other types of social security or similar legislation or Liens to secure public or statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return of money bonds and other similar obligations; (d) easements, rights of way, restrictions, encroachments, encumbrances and other defects or irregularities in title to real property that do not render title to the property encumbered thereby unmarketable or materially adversely affect the use of such property for its present purposes; (e) interest or title of a lessor, lessee, sublessor or sublessee under any lease or sublease permitted hereunder and any interest or title of a licensor, licensee, sublicensor or sublicensee under any license or sublicense permitted hereunder; (f) Liens solely on any cash earnest money deposits, escrow arrangements or similar arrangements made by the Company or any Subsidiary in connection with any letter of intent or purchase agreement permitted hereunder and Liens on trusts, cash or cash equivalents, or other funds in connection with defeasance, discharge or redemption of Debt, pending consummation of a strategic transaction or similar obligations; (g) purported Liens evidenced by the filing of precautionary Uniform Commercial Code financing statements (or any similar precautionary filings) relating solely to operating leases of personal property entered into in the ordinary course of business; (h) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with importation of goods; (i) any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property; (j) Liens arising out of judgments, decrees, orders or awards that do not constitute an Event of Default under Section 11; and (k) Liens arising by reason of deposits necessary to obtain standby letters of credit in the ordinary course of business.

"**Person**" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"**Plan**" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"**Principal Credit Facility**" means (a) each Bank Credit Agreement, as the same may be amended, restated or otherwise modified from time to time, or such other principal credit facility or facilities of the Company as may from time to time refinance or replace any such facility and (b) any committed or funded debt facility of the Company and/or the German Issuer with an aggregate facility size of at least $100,000,000 (or the equivalent thereof in the relevant currency), as of any date of determination.

"**Pro Forma Basis**" means on a basis in accordance with Section 24.3(b).

"**property**" or "**properties**" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"**Proposed Prepayment Date**" is defined in Section 8.3(c).

"**PTE**" is defined in Section 6.3(a).

"**Purchaser**" or "**Purchasers**" means each of the purchasers that has executed and delivered this Agreement to the Issuers and such Purchaser's successors and assigns (so long as any such assignment complies with Section 14.2), *provided* , *however* , that any Purchaser of a Note that ceases to be the registered holder or a beneficial holder (though a nominee) of such Note as the result of a transfer thereof pursuant to Section 14.2 shall cease to be included within the meaning of "Purchaser" of such note for the purposes of this Agreement upon such transfer.

"**QPAM Exemption**" is defined in Section 6.3(d).

"**Qualified Institutional Buyer**" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"**Ratable Portion**" means, with respect to any Note, an amount equal to the product of (x) the amount equal to the net proceeds being so applied to the prepayment of Senior Debt in accordance with Section 10.4(2), multiplied by (y) a fraction the numerator of which is the outstanding principal amount of such Note and the denominator of which is the aggregate outstanding principal amount of Senior Debt of the Company and its Subsidiaries.

"**RCF**" means that certain Credit Agreement, dated as of July 23, 2014, by and among the Company, certain Subsidiaries of the Company named therein, JPMorgan Chase Bank, N.A., as administrative agent, the lenders party thereto and other financial institutions party thereto, as amended by that certain Amendment No. 1 dated as of July 1, 2015 and by that certain Amendment No. 2 dated as of November 30, 2015, as the same may be further amended, restated, amended and restated, joined, supplemented or otherwise modified from time to time, and any renewals, extensions or replacements thereof.

"**Reference Period**" has the meaning assigned to such term in the definition of "EBITDA".

"**Rejection Notice**" is defined in Section 8.9(a).

"**Related Fund**" means, with respect to any holder of any Note, any fund or entity that (a) invests in Securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"**Required Holders**" means the holders of not less than 50.1% in principal amount of the Notes of all Series at the time outstanding (exclusive of Notes then owned by the Issuers or any of their Affiliates and any Notes held by parties who are contractually required to abstain from voting with respect to matters affecting the holders of the Notes).

"**Responsible Officer**" means any Senior Financial Officer and any other officer of the Company or the German Issuer, as applicable, with responsibility for the administration of the relevant portion of this Agreement.

"**Sanctions Prepayment Date**" is defined in Section 8.8(a).

"**Sanctions Prepayment Offer**" is defined in Section 8.8(a).

"**Sanctions Prepayment Response Date**" is defined in Section 8.8(a).

"**SEC**" means the Securities and Exchange Commission of the United States, or any successor thereto.

"**Securities**" or "**Security**" shall have the meaning specified in Section 2(1) of the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**Senior Debt**" means, as of the date of any determination thereof, all Debt, other than Subordinated Debt.

"**Senior Financial Officer**" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"**Series**" means any series of Notes issued pursuant to this Agreement.

"**Series A Notes**" means the Notes issued by the German Issuer designated as "Series A" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series B Notes**" means the Notes issued by the German Issuer designated as "Series B" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series C Notes**" means the Notes issued by the German Issuer designated as "Series C" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series D Notes**" means the Notes issued by the German Issuer designated as "Series D" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series E Notes**" means the Notes issued by the German Issuer designated as "Series E" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series F Notes**" means the Notes issued by the German Issuer designated as "Series F" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series G Notes**" means the Notes issued by the German Issuer designated as "Series G" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series H Notes**" means the Notes issued by the German Issuer designated as "Series H" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series I Notes**" means the Notes issued by the German Issuer designated as "Series I" in the chart set forth in Section 1.2, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series N Notes**" means the Notes issued by the Company designated as "Series N" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series O Notes**" means the Notes issued by the Company designated as "Series O" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series P Notes**" means the Notes issued by the Company designated as "Series P" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series Q Notes**" means the Notes issued by the Company designated as "Series Q" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series R Notes**" means the Notes issued by the Company designated as "Series R" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series S Notes**" means the Notes issued by the Company designated as "Series S" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series T Notes**" means the Notes issued by the Company designated as "Series T" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series U Notes**" means the Notes issued by the Company designated as "Series U" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Series V Notes**" means the Notes issued by the Company designated as "Series V" in the chart set forth in Section 1.1, together with any such Notes issued in substitution therefor pursuant to Section 14 of this Agreement, as amended, restated or otherwise modified from time to time.

"**Source**" is defined in Section 6.3.

"**State Sanctions List**" means a list that is adopted by any state Governmental Authority within the United States of America pertaining to Persons that engage in investment or other commercial activities in Iran or any other country that is a target of U.S. Economic Sanctions.

"**Subordinated Debt**" means all unsecured Debt of any Person which shall contain or have applicable thereto subordination provisions providing for the subordination thereof to other Debt of such Person (including (a) for purposes of the Company, the obligations of the Company under this Agreement and the U.S. Notes, and (b) for purposes of the German Issuer, the obligations of the German Issuer under this Agreement and the German Notes).

"**Subsidiary**" means, as to any Person, any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% (directly or indirectly) of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such limited liability company, partnership or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person's other Subsidiaries. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"**Subsidiary Guarantor**" means each Subsidiary that is party to the Subsidiary Guaranty.

"**Subsidiary Guaranty**" means a subsidiary guaranty agreement executed and delivered in connection with Section 9.8(a) of the Agreement.

"**Substitute Purchaser**" is defined in Section 22.

"**SVO**" means the Securities Valuation Office of the NAIC or any successor to such Office.

"**Swap Agreement**" means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

"**Swap Breakage Amount**" is defined in Section 8.11.

"**Swap Note Agreement**" is defined in Section 8.10(b).

"**Swapped Note**" is defined in Section 8.10(b).

"**Swapped Note Called Notional Amount**" is defined in Section 8.10(b).

"**Swapped Note Called Principal**" is defined in Section 8.10(b).

"**Swapped Note Settlement Date**" is defined in Section 8.10(b).

"**Tax**" means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise) and any similar charge, levy, impost or duty.

"**Taxing Jurisdiction**" is defined in Section 13(a).

"**Tax Prepayment Notice**" is defined in Section 8.9(a).

"**Total Assets**" means, as of any date of determination, the total amount of all assets of the Company and its Subsidiaries.

"**Unconditional Guaranty**" is defined in Section 23.1.

"**USA PATRIOT Act**" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"**U.S. Economic Sanctions**" is defined in Section 5.16(a).

"**U.S. Notes**" is defined in Section 1.1.

"**Voting Stock**" means, with respect to any Person, any class of shares of stock or other equity interests of such Person having general voting power under ordinary circumstances to elect the board of directors or other managing entities, as appropriate, of such Person (irrespective of whether or not at the time stock of any other class or classes or other equity interests of such Person shall have or might have voting power by reason of the happening of any contingency).

EXHIBIT 1A

[FORM OF SERIES N NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

0.98% SERIES N SENIOR NOTE DUE OCTOBER 27, 2024

No. RN-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2024 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 0.98% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in EUROS. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in EUROS. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1B

[FORM OF SERIES O NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.31% SERIES O SENIOR NOTE DUE OCTOBER 27, 2027

No. RO-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2027 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.31% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in EUROS. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in EUROS. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1C

[FORM OF SERIES P NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.31% SERIES P SENIOR NOTE DUE OCTOBER 27, 2027

No. RP-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2027 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.31% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in EUROS. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in EUROS. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1D

[FORM OF SERIES Q NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.50% SERIES Q SENIOR NOTE DUE OCTOBER 27, 2029

No. RQ-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2029 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.50% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1E

[FORM OF SERIES R NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.50% SERIES R SENIOR NOTE DUE OCTOBER 27, 2029

No. RR-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2029 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.50% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1F

[FORM OF SERIES S NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.58% SERIES S SENIOR NOTE DUE OCTOBER 27, 2030

No. RS-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2030 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.58% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1G

[FORM OF SERIES T NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.58% SERIES T SENIOR NOTE DUE OCTOBER 27, 2030

No. RT-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2030 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.58% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1H

[FORM OF SERIES U NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.65% SERIES U SENIOR NOTE DUE OCTOBER 27, 2031

No. RU-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2031 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.65% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1I

[FORM OF SERIES V NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

DENTSPLY SIRONA INC.

1.65% SERIES V SENIOR NOTE DUE OCTOBER 27, 2031

No. RV-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, DENTSPLY SIRONA Inc. (herein called the "**Company**"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€ [_____]) (or so much thereof as shall not have been prepaid) on October 27, 2031 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.65% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the German Issuer and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY SIRONA INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT 1J

[FORM OF SERIES A NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

0.98% SERIES A SENIOR NOTE DUE OCTOBER 27, 2024

No. RA-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2024 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 0.98% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in EUROS. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in EUROS. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1K

[FORM OF SERIES B NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

1.31% SERIES B SENIOR NOTE DUE OCTOBER 27, 2027

No. RB-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2027 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.31% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1L

[FORM OF SERIES C NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GmbH

1.31% SERIES C SENIOR NOTE DUE OCTOBER 27, 2027

No. RC-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2027 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.31% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1M

[FORM OF SERIES D NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GmbH

1.50% SERIES D SENIOR NOTE DUE OCTOBER 27, 2029

No. RD-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2029 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.50% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1N

[FORM OF SERIES E NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

1.50% SERIES E SENIOR NOTE DUE OCTOBER 27, 2029

No. RE-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2029 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.50% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1O

[FORM OF SERIES F NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

1.58% SERIES F SENIOR NOTE DUE OCTOBER 27, 2030

No. RF-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2030 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.58% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1P

[FORM OF SERIES G NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GmbH

1.58% SERIES G SENIOR NOTE DUE OCTOBER 27, 2030

No. RG-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2030 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.58% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

Title:

EXHIBIT 1Q

[FORM OF SERIES H NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

1.65% SERIES H SENIOR NOTE DUE OCTOBER 27, 2031

No. RH-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2031 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.65% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:

EXHIBIT 1R

[FORM OF SERIES I NOTE]

THIS NOTE HAS BEEN ACQUIRED WITHOUT A VIEW TO DISTRIBUTION AND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT"), OR UNDER STATE SECURITIES LAWS. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THIS NOTE MAY BE MADE UNLESS REGISTERED OR EXEMPT FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS.

SIRONA DENTAL SERVICES GMBH

1.65% SERIES I SENIOR NOTE DUE OCTOBER 27, 2031

No. RI-[_____] [Date]

€[_____] PPN [_____]

For Value Received, the undersigned, SIRONA DENTAL SERVICES GMBH (herein called the " **Company** "), a company with limited liability organized and existing under the laws of the Federal Republic of Germany, hereby promises to pay to [_____] or registered assigns, the principal sum of [_____] EUROS (€[_____]) (or so much thereof as shall not have been prepaid) on October 27, 2031 (the " **Maturity Date** ") with interest (computed on the basis of a 360 day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.65% per annum (subject to increase as provided in the Note Purchase Agreement referred to below) from the date hereof, payable semi-annually on the 27th day of April and October in each year and at maturity, commencing with the April 27 or October 27 next succeeding the date hereof, and on the Maturity Date, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, at a rate per annum from time to time equal to the Default Rate (as defined in the Note Purchase Agreement referred to below), on any overdue payment of interest, any overdue payment of Net Loss and, during the continuance of an Event of Default, on the unpaid balance hereof and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount (as defined in the Note Purchase Agreement referred to below), payable semi-annually as aforesaid (or, at the option of the registered holder hereof, on demand).

Payments of principal of and interest on this Note are to be made in Euros. At any time this Note is a Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount and any Net Loss with respect to this Note are to be made in Dollars. At any time this Note is a Non-Swapped Note (as defined in the Note Purchase Agreement referred to below), payments of any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in Euros. In each case, payments on this Note are to be made at the principal office of Bank of America, N.A. in New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreement referred to below.

This Note is one of a series of Senior Notes (herein called the "**Notes**") issued pursuant to the Note Purchase and Guarantee Agreement, dated as of October 27, 2016 (as from time to time amended, restated, supplemented or modified, the " **Note Purchase Agreement** "), among the Company, the Company and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 22 of the Note Purchase Agreement and (ii) made the representations set forth in Section 6.3 of the Note Purchase Agreement, *provided* , that in lieu thereof such holder may (in reliance upon information provided by the Company, which shall not be unreasonably withheld) make a representation to the effect that the purchase by any holder of any Note will not constitute a non-exempt prohibited transaction under section 406(a) of ERISA. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreement, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including the applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the issuer and holder hereof shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

SIRONA DENTAL SERVICES GMBH

By: _____

Name:
Title:

Exhibit 1R-2

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of April ___, 2016 is made by and between DENTSPLY SIRONA Inc., a Delaware corporation (the "Company"), and Christopher T. Clark ("Executive") (collectively referred to herein as the "Parties").

RECITALS

A. It is the desire of the Company to assure itself of the services of Executive effective as of February 29, 2016 (the "Effective Date") and thereafter by entering into this Agreement.

B. Executive and the Company mutually desire that Executive provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the Parties hereto agree as follows:

1. **Employment.**

(a) General. The Company shall employ Executive and Executive shall remain in the employ of the Company, for the period and in the position set forth in this Section 1, and subject to the other terms and conditions herein provided.

(b) This Agreement shall supersede and replace the Employment Agreement made as of February 19, 2008 between DENTSPLY International Inc. ("DENTSPLY") and Executive, as amended through the date hereof (the "Prior Agreement"), which shall terminate and no longer be effective as of the Effective Date.

(c) Employment Term. The term of employment under this Agreement (the "Term") shall be for the period beginning on the Effective Date, and shall automatically renew for twelve (12) month periods unless no later than ninety (90) days prior to the end of the applicable Term either party gives written notice of non-renewal ("Notice of Non-Renewal") to the other in which case Executive's employment will terminate at the end of the then-applicable Term, subject to earlier termination as provided in Section 3. Notwithstanding the foregoing, in the event that any Notice of Non-Renewal given by the Company indicates that the Company is willing to continue Executive's employment under the terms of a new agreement, then Executive and the Company shall negotiate in good faith regarding the terms of such new agreement. If Executive and the Company have not agreed on the terms of a new agreement within 150 days following the date of such Notice of Non-Renewal (the "Negotiation Term"), then Executive's employment shall terminate upon expiration of the Negotiation Term, unless otherwise agreed by the Company and Executive.

(d) Position and Duties. Executive shall serve as the President and Chief Operating Officer of Technologies with such responsibilities, duties and for activities assigned by the Chief Executive Officer of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Executive shall devote substantially all of Executive's working time and efforts to the business and affairs of the Company (which shall include service to its Affiliates) and shall not engage in outside business activities (including serving on outside boards or committees) without the consent of the Chief Executive Officer, provided that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations, (iii) serve on the board of directors of not-for-profit or tax-exempt charitable organizations, and (iv) with Chief Executive Officer approval, serve on the board of directors or similar board of for-profit organizations, in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company and its subsidiaries as adopted by the Company or its Affiliates from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive (each, a "Policy").

(e) Principal Place of Employment. The Parties agree that Executive's principal office will be the Company's headquarters or such other principal office or offices, as appropriate for the performance of his duties, as mutually agreed by both parties and determined in consultation with the Chief Executive Officer. The Parties understand that given the nature of Executive's duties, Executive will be required to travel and perform services at locations other than his principal office from time to time.

2. **Compensation and Related Matters.**

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a minimum rate of $655,600 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of

employment. Such annual base salary shall be subject to annual review and increase by the Board (such annual base salary, as it may be increased from time to time, the "Annual Base Salary").

(b) Bonus. With respect to each fiscal year of the Company Executive will be eligible to participate in an annual incentive program established by the Board. Executive's annual incentive compensation under such incentive program, (the "Annual Bonus") shall be targeted at 85% of his Annual Base Salary (the "Target Bonus"), and shall include the full year period commencing on January 1, 2016, with the expectation that the bonus will scale upward and downward based on actual performance, as determined by the Board, such that the actual Annual Bonus payable to Executive may be greater than, equal to or less than the Target Bonus. The Annual Bonus shall be based upon the achievement of Company and/or individual performance metrics as established by the Board. The Annual Bonus for a fiscal year will be paid no later than the fifteenth day of the third month following the end of such fiscal year.

(c) Long-Term Incentive. Prior to the first anniversary of the Effective Date, the Company will adopt a broad-based equity compensation plan and will grant Executive equity incentive awards (or other long-term incentive compensation). The grant date fair value, type of award and specific terms and conditions of such awards will be determined by the compensation committee of the Board, but shall be commensurate with Executive's position and the terms shall be consistent with the terms applicable to similarly situated officers.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements generally available from time to time to other similarly situated senior executives of the Company in the jurisdiction of Executive's principal office location.

(e) Paid Time Off. During the Term, Executive shall be entitled to at least twenty five (25) days, on an annualized basis, of paid personal leave in accordance with the Company's Policies. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement Policy.

3. **Termination.**

Executive's employment hereunder may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) *Death*. Executive's employment hereunder shall terminate upon Executive's death.

(ii) *Disability*. If Executive has incurred a Disability, as defined below, the Company may terminate Executive's employment.

(iii) *Termination for Cause*. The Company may terminate Executive's employment for Cause, as defined below.

(iv) *Termination without Cause*. The Company may terminate Executive's employment without Cause.

(v) *Resignation from the Company for Good Reason.* Executive may resign Executive's employment with the Company for Good Reason, as defined below.

(vi) *Resignation from the Company without Good Reason*. Executive may resign Executive's employment with the Company without Good Reason.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 3 (other than termination pursuant to paragraph (a)(i)) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, if applicable, and (iii) specifying a Date of Termination which, if submitted by Executive pursuant to paragraph (a)(vi), shall be at least ninety (90) days following the date of such notice (a "Notice of Termination"); *provided, however,* that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. In the event of a dispute over Cause or Good Reason, either Party may introduce newly discovered or newly arising evidence in support of or in opposition to its Cause or his Good Reason.

(c) Company Obligations upon Termination Not in Connection with Change in Control. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 3(a), Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to

Executive; (ii) any paid time off that has been accrued but unused in accordance with the Company's Policies; (iii) any reimbursements owed to Executive pursuant to Section 2(f); (iv) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements; and (v) except in the case of a termination of Executive's employment for Cause pursuant to Section 3(a)(iii), any earned but unpaid Annual Bonus for the prior fiscal year. Except as otherwise expressly required by law (e.g., COBRA (as defined below)) or as specifically provided herein, or in any other plan or arrangement maintained by the Company, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 3(c) or Section 4, or in any other plan or arrangement maintained by the Company, as applicable.

(d) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its Affiliates.

4. **Severance Payments.**

(a) Termination for Cause, or Resignation without Good Reason. If Executive's employment shall terminate pursuant to Section 3(a)(iii) for Cause, or pursuant to Section 3(a)(vi) for Executive's resignation from the Company without Good Reason, then Executive shall not be entitled to any severance payments or benefits, except as provided in Section 3(c).

(b) Termination without Cause, Resignation for Good Reason or Expiration of Term. If Executive's employment terminates without Cause pursuant to Section 3(a)(iv), Executive resigns for Good Reason pursuant to Section 3(a)(v), or Executive's employment terminates upon expiration of the Term or Negotiation Term by reason of the Company providing the Notice of Non-Renewal then, subject to Executive signing on or before the 50th day following Executive's Separation from Service (as defined below), and not revoking, a release of claims in customary and equitable form (the "Release"), and Executive's continued compliance with Sections 5 and 6, Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two (2) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable over twenty-four months immediately following the Release's effective date in equal installments in accordance with the Company's regular payroll practice following the Date of Termination, until the earlier of (A) twenty-four (24) months after the Release's effective date or (B) the date the Executive first violates any of the restrictive covenants set forth in Sections 5 and 6 or the provisions of Section 7;

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b);

(iii) Executive's equity awards which are outstanding on the Date of Termination shall (x) remain outstanding, (y) continue to vest notwithstanding Executive's termination of employment for a period of twenty-four (24) months following the Date of Termination, and (z) remain exercisable until the earlier of ninety (90) days following the twenty-four (24) month anniversary after the Date of Termination or the date such equity award would have expired had Executive remained in continuous employment;

(iv) Company shall pay to Executive in a cash lump sum an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for twenty-four (24) months following the Date of Termination, which amount shall be based on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(v) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable and including the benefits listed under Section 2(d)) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(vi) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any pension plan (within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) maintained by the Company or its Affiliates ("Pension Plan"), and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) twenty-four (24) additional months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the twenty-four (24) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(b)(iv) and (vi), shall be paid sixty (60) days after Executive's Date of Termination.

(c) Termination in Connection With a Change in Control. In the event that Executive's employment terminates without Cause pursuant to Section 3(a)(iv) or Executive resigns for Good Reason pursuant to Section 3(a)(v) within twenty-four (24) months following a Change in Control, subject to Executive signing on or before the 50th day following Executive's Separation from Service, and not revoking, the Release and Executive's continued compliance with Sections 5 and 6, in lieu of any amounts payable under Section 4(b), then Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two and one-half (2 ½) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable in a lump sum (provided that payments shall be made in installments on the Schedule described in Section 4(b)(i) if the Change in Control does not constitute a "change in control event" described in Treasury Regulation Section 1.409A-3(i)(5));

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with Section 2(b);

(iii) Company shall pay to Executive an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to COBRA for twenty-four (24) months following the Date of Termination, which amount shall be based on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(iv) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable and benefits listed under Section 2(d)) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(v) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any Pension Plan, and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) thirty (30) months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance

constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the thirty (30) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(c)(i), (iii), and (v), shall be paid sixty (60) days after Executive's Date of Termination.

(d) Termination Upon Death. If Executive's employment shall terminate as a result of Executive's death pursuant to Section 3(a)(i), the Executive's estate or beneficiary shall be entitled to receive in addition to payments and benefits set forth in Section 3(c) subject to signing on or before the 50th day following Executive's death, and not revoking, the Release:

(i) a lump sum payment equal to Executive's Annual Base Salary as in effect on the date of death;

(ii) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b); and

(iii) Executive's equity awards shall vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(d)(i), shall be paid sixty (60) days after Executive's Date of Termination.

(e) Termination Upon Disability. If Executive's employment shall terminate as a result of or Disability pursuant to Section 3(a)(ii), Executive shall be entitled to receive in addition to the payments and benefits set forth in Section 3(c), subject to signing on or before the 50th day following his Date of Termination, and not revoking, the Release:

(i) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b); and

(ii) Executive's equity awards vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 11 and Section 13(i) will survive the termination of Executive's employment and the expiration or termination of the Term.

(g) No Mitigation; Payment to Surviving Spouse. Notwithstanding anything to the contrary in this Agreement, Executive shall not be required to seek other employment or otherwise mitigate any damages resulting from any termination of employment. In the event of Executive's death prior to payment of all compensation and benefits due to Executive under Section 3(c) or Section 4 of this Agreement, any remaining compensation and benefits shall be paid to his spouse, if any, or if none as required by laws of succession or intestacy.

5. **Covenants.** Executive acknowledges that Executive has been provided with Confidential Information (as defined below) and, during the Term, the Company from time to time will provide Executive with access to Confidential Information. Ancillary to the rights provided to Executive as set forth in this Agreement and the Company's provision of Confidential Information, and Executive's agreements regarding the use of same, in order to protect the value of any Confidential Information, the Company and Executive agree to the following provisions, for which Executive agrees he received adequate consideration and which Executive acknowledges are reasonable and necessary to protect the legitimate interests of the Company and represent a fair balance of the Company's rights to protect its business and Executive's right to pursue employment:

(a) Executive shall not, at any time during the Restriction Period (as defined below), directly or indirectly engage in, have any equity interest in, interview for a potential employment or consulting relationship with, or manage, provide services to or operate any person, firm, corporation, partnership or business (whether as director, officer, employee, agent, representative, partner, security holder, consultant or otherwise) that engages in any business which competes with any portion of the Business (as defined below) of the Company anywhere in the world. Nothing herein shall prohibit Executive from being a passive owner of not more than 5% of the outstanding equity interest in any entity that is publicly traded, so long as Executive has no active participation in the business of such entity.

(b) Executive shall not, at any time during the Restriction Period, directly or indirectly, engage or prepare to engage in any of the following activities: (i) solicit, divert or take away any customers, clients, or business acquisition or other business opportunity of the Company, (ii) contact or solicit, with respect to hiring, or knowingly hire any employee of the Company or any person employed by the Company at any time during the 12-month period immediately preceding the Date of Termination, (iii) induce or otherwise counsel, advise or encourage any employee of the Company to leave the employment of the Company, or (iv) induce any distributor, representative or agent of the Company to terminate or modify its relationship with the Company.

(c) In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(d) As used in this Section 5, (i) the term "Company" shall include the Company and its direct and indirect parents and subsidiaries; (ii) the term "Business" shall mean the business of the Company and shall include (a) designing, developing, distributing, marketing or manufacturing dental products or (b) any other process, system, product or service marketed, sold or under development by the Company at any time during Executive's employment with the Company; and (iii) the term "Restriction Period" shall mean the period beginning on the Effective Date and ending twenty-four (24) months following the Date of Termination for any reason.

(e) Executive agrees, during the Term and following the Date of Termination, to refrain from Disparaging (as defined below) the Company and its Affiliates, including any of its services, technologies, products, processes or practices, or any of its directors, officers, agents, representatives or stockholders, either orally or in writing. The Company agrees, on its behalf and on behalf of its Officers and Directors, to refrain from Disparaging Executive. Nothing in this paragraph shall preclude Executive or the Company (as applicable) from making truthful statements that are reasonably necessary to comply with applicable law, regulation or legal process, or to defend or enforce Executive's or the Company's rights under this Agreement. For purposes of this Agreement, "Disparaging" means making remarks, comments or statements, whether written or oral, that impugn or are reasonably likely to impugn the character, integrity, reputation or abilities of the entities, persons, services, products, technologies, processes or practices listed in this Section 5(e).

(f) Executive agrees that during the Restriction Period, Executive will cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed.

(g) Notwithstanding anything to the contrary contained in this Agreement, if and to the extent requested by the Company during the period commencing on the Date of Termination and ending at the end of the Restriction Period, Executive agrees to provide to the Company up to five (5) hours of consulting services per month, on an "as needed" basis at times and in a manner that is mutually convenient. Executive shall not receive any additional compensation for the provision of these consulting services if he is receiving the severance benefits otherwise payable pursuant to Section 4 in connection with Executive's services rendered during the Term. If Executive is not receiving severance, the Company and Executive shall agree on a mutually acceptable fee arrangement.

6. **Nondisclosure of Proprietary Information.**

(a) Except in connection with the faithful performance of Executive's duties hereunder or pursuant to Section 6(c) and (e), Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for Executive's benefit or the benefit of any person, firm, corporation or other entity (other than the Company) any confidential or proprietary information or trade secrets of or relating to the Company (including, without limitation, business plans, business strategies and methods, acquisition targets, intellectual property in the form of patents, trademarks and copyrights and applications therefor, ideas, inventions, works, discoveries, improvements, information, documents, formulae, practices, processes, methods, developments, source code, modifications, technology, techniques, data, programs, other know-how or materials, owned, developed or possessed by the Company, whether in tangible, intangible or electronic form, information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers,

potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, prospects and compensation paid to employees or other terms of employment) (collectively, the "Confidential Information"), or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information. The Parties hereby stipulate and agree that, as between them, any item of Confidential Information is important, material and confidential and affects the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Notwithstanding the foregoing, Confidential Information shall not include any information that has been published in a form generally available to the public or is publicly available or has become public or general industry knowledge prior to the date Executive proposes to disclose or use such information, *provided, that* such publishing or public availability or knowledge of the Confidential Information shall not have resulted from Executive directly or indirectly breaching Executive's obligations under this Section 6(a) or any other similar provision by which Executive is bound, or from any third-party breaching a provision similar to that found under this Section 6(a). For the purposes of the previous sentence, Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if material features comprising such information have been published or become publicly available.

(b) Upon termination of Executive's employment with the Company for any reason, Executive will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents or property (in whatever form) concerning the Company's customers, business plans, marketing strategies, products, property, processes or Confidential Information.

(c) Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and shall assist such counsel at Company's expense in resisting or otherwise responding to such process, in each case to the extent permitted by applicable laws or rules.

(d) As used in this Section 6 and Section 7, the term "Company" shall include the Company and its direct and indirect parents and subsidiaries.

(e) Nothing in this Agreement shall prohibit Executive from (i) disclosing information and documents when required by law, subpoena or court order (subject to the requirements of Section 6(c) above), (ii) disclosing information and documents to Executive's attorney, financial or tax adviser for the purpose of securing legal, financial or tax advice, (iii) disclosing Executive's post-employment restrictions in this Agreement in confidence to any potential new employer of Executive, or (iv) retaining, at any time, Executive's personal correspondence, Executive's personal contacts and documents related to Executive's own personal benefits, entitlements and obligations, except where such correspondence, contracts and documents contain Confidential Information.

7. **Inventions.**

All rights to discoveries, inventions, improvements and innovations (including all data and records pertaining thereto) related to the Business, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Executive may discover, invent or originate during the Term, either alone or with others and whether or not during working hours or by the use of the facilities of the Company ("Inventions"), shall be the exclusive property of the Company. Executive shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem reasonably necessary to protect or perfect its rights therein, and shall assist the Company, upon reasonable request and at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. Executive hereby appoints the Company as Executive's attorney-in-fact to execute on Executive's behalf any assignments or other documents reasonably deemed necessary by the Company to protect or perfect its rights to any Inventions. During the Restriction Period, Executive shall assist Company and its nominee, at any time, in the protection of Company's (or its Affiliates') worldwide right, title and interest in and to Inventions and the execution of all formal assignment documents requested by Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

8. **Injunctive Relief.**

It is recognized and acknowledged by Executive that a breach of the covenants contained in Sections 5- 6 or 7 will cause irreparable damage to Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Sections 5- 6 or 7, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief without the requirement to post bond.

9. **Maximum Payment Limit.** If any payment or benefit due under this Agreement, together with all other payments and

benefits that Executive receives or is entitled to receive from the Company or any of its subsidiaries, Affiliates or related entities, would (if paid or provided) constitute an excess parachute payment for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amounts otherwise payable and benefits otherwise due under this Agreement will either (i) be delivered in full, or (ii) be limited to the minimum extent necessary to ensure that no portion thereof will fail to be tax-deductible to the Company by reason of Section 280G of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the excise tax imposed under Section 4999 of the Code, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the excise tax imposed under Section 4999 of the Code. In the event that the payments and/or benefits are to be reduced pursuant to this Section 9, such payments and benefits shall be reduced such that the reduction of cash compensation to be provided to the Executive as a result of this Section 9 is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations required to be made under this Section 9 shall be made by the Company's independent public accounting firm, or by another advisor mutually agreed to by the parties, which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a payment or benefit subject to this Section 9, or such earlier time as is requested by the Company.

10. **Clawback Provisions.**

Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any Policy, law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Policy, law, government regulation or stock exchange listing requirement.

11. **Assignment and Successors.**

The Company may assign its rights and obligations under this Agreement to a United States subsidiary of the Company that is the main operating company of the Company (or the principal employer of employees of the Company and its subsidiaries) in the United States or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable Company benefit plans or arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

12. **Certain Definitions.**

(a) Affiliate. "Affiliate" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(b) Beneficial Owner. "Beneficial Owner" shall have the meaning defined in Rule 13d-3 under the Exchange Act.

(c) Cause. The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i) a majority, plus at least one, of the members of the Company's Board of Directors, excluding Executive, determining that (a) Executive has committed an act of fraud against the Company, or (b) Executive has committed an act of malfeasance, recklessness or gross negligence against the Company that is materially injurious to the Company or its customers; or

(ii) a majority, plus at least one, of the members of the Company's Board of Directors, excluding Executive, determining that Executive materially breaching the terms of this Agreement; or

(iii) Executive's indictment for, or conviction of, or pleading no contest to, a felony or a crime involving Executive's moral turpitude.

Notwithstanding the foregoing, clauses (i) - (iii) shall not constitute "Cause" unless and until the Company has: (x) provided Executive, within 60 days of any Company director's knowledge of the occurrence of the facts and circumstances underlying such Cause event, written notice stating with specificity the applicable facts and circumstances underlying such

finding of Cause; and (y) provided Executive with an opportunity to cure the same (if curable) within 30 days after the receipt of such notice.

(d) Change in Control. "Change in Control" shall mean an event set forth in any one of the following paragraphs shall have occurred following the Effective Date:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities ac-quired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (2) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company (or any direct or indirect parent or subsidiary of the Company) with any other company, other than (1) a merger or consolidation which would result in the Beneficial Owners of the voting securities of the Company outstanding immediately prior thereto continuing to own, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, more than 50% of the combined voting power of the voting securities of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof outstanding immediately after such merger or consolidation, (2) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, or (3) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's, a surviving entity's or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Common Shares immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(e) Date of Termination. "Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death; (ii) if Executive's employment is terminated pursuant to Section 3(a)(ii) - (vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 3(b), whichever is earlier.

(f) Disability. "Disability" shall mean, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability,

"Disability" shall refer to that definition of disability which, if Executive qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether Executive has a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, Disability shall mean Executive's inability to perform, with or without reasonable accommodation, the essential functions of Executive's position hereunder for a total of three months during any twelve-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company (or its insurers). Any unreasonable refusal by Executive to submit to a medical examination for the purpose of determining Disability within a reasonable period following a written request by the Company (or its insurers) shall be deemed to constitute conclusive evidence of Executive's Disability.

(g) Exchange Act. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(h) Good Reason. "Good Reason" shall mean:

(i) the Company reduces the Executive's Annual Base Salary or Target Bonus percentage, other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board and applicable to all other senior executive officers of the Company, provided such reduction does not reduce Executive's Annual Base Salary or Target Bonus by a percentage greater than the average reduction in compensation of all other senior executive officers of the Company, or a significant reduction in Executive's other compensation, including long-term incentive compensation, and benefits has occurred below its current amount at the time of this agreement;

(ii) a material, adverse change in Executive's responsibilities, authority or duties (including as a result of the assignment of duties materially inconsistent with Executive's position), or the inability to agree on a place of employment

(iii) the Company breaches a material obligation to Executive under the terms of this Agreement; and

(iv) the Company delivering to Executive a Notice of Non-Renewal which does not include a request to negotiate a new agreement during the Negotiation Term;

However, none of the foregoing events or conditions will constitute Good Reason unless: (x) Executive provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (y) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving that written objection, and (z) the Executive resigns his employment within thirty (30) days following the expiration of that cure period.

(i) Person. "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their owner-ship of Common Shares of the Company.

13. **Miscellaneous Provisions.**

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of State of New York without reference to the principles of conflicts of law of the State of New York or any other jurisdiction, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to the attention of the General Counsel at its headquarters,

(ii) If to Executive, at the last address that the Company has in its personnel records for Executive, or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral (including, without limitation, the Prior Agreement). The Parties further intend that this Agreement shall constitute the complete and exclusive

statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company (other than Executive). By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company (other than Executive) may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any," "all," "each," or "every" means "any and all," and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(h) Arbitration. If any dispute or controversy arises under or in connection with this Agreement, is not resolved within a commercially reasonable time not to exceed sixty (60) days, then such dispute or controversy shall be settled exclusively by arbitration, conducted before a single neutral arbitrator at a location mutually agreed between the Company and Executive within the state of the Company's headquarters at such time in accordance with the Employment Arbitration Rules & Procedures of JAMS ("JAMS") then in effect, in accordance with this Section 13(h), except as otherwise prohibited by any nonwaivable provision of applicable law or regulation. The parties hereby agree that the arbitrator shall construe, interpret and enforce this Agreement in accordance with its express terms, and otherwise in accordance with the governing law as set forth in Section 13(a). Judgment may be entered on the arbitration award in any court having jurisdiction, *provided, however,* that either Party shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of this Agreement and Executive hereby consents that such restraining order or injunction may be granted without requiring the other Party to post a bond. Unless the parties otherwise agree, only individuals who are on the JAMS register of arbitrators shall be selected as an arbitrator. Additionally, except upon showing of cause each party shall have the right to propound no more than 10 special interrogatories and requests for admission, and to take the deposition of one individual and any expert witness designated by the other party. Within 20 days of the conclusion of the arbitration hearing, the arbitrator shall prepare written findings of fact and conclusions of law. It is mutually agreed that the written decision of the arbitrator shall be valid, binding, final and enforceable by any court of competent jurisdiction. In the event action is brought pursuant to this Section 13(h), the arbitrator shall have authority to award fees and costs to the prevailing party, in accordance with applicable law. If in the opinion of the arbitrator there is no prevailing party, then each party shall pay its own attorney's fees and expenses. Both Executive and the Company expressly waive their right to a jury trial. Nothing in this subsection shall be construed as precluding the bringing of an action for injunctive relief or specific performance as provided in this Agreement. This dispute resolution process and any arbitration hereunder shall be confidential and neither any Party nor the arbitrator shall disclose the existence, contents or results of such process without the prior written consent of all Parties, except where necessary or compelled in a Court to enforce this arbitration provision or an award from such arbitration or otherwise in a legal proceeding. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights by Court action instead of arbitration. The Company may also enjoin by Court action any breach of Sections 5-6 or 7 as permitted by Section 8.

(i) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(j) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold or by its Policies it

customarily withholds. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(k) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service") and, except as provided below, any such compensation or benefits described in Sections 4(b)-(e) shall not be paid, or, in the case of installments, shall not commence payment, until the sixtieth (60th) day following Executive's Separation from Service (the "First Payment Date"). Any lump sum payment or installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and any remaining installment payments shall be made as provided in this Agreement.

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to or any other agreement providing compensatory payments to Executive to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, any payment of compensation or benefits to which Executive is entitled under this Agreement or any other compensatory plan or agreement that is considered nonqualified deferred compensation under Section 409A payable as a result of Executive's Separation from Service shall be delayed to the extent required in order to avoid a prohibited distribution under Section 409A until the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement or any other compensatory plan or agreement shall be paid as otherwise provided herein or therein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; provided, that Executive submits Executive's reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Tax Gross Up Payments.* Any tax gross-up payments to which Executive is entitled hereunder shall be paid to Executive no later than December 31 of the year next following the year which Executive remits the related tax payments to the applicable tax authorities, including the amount of additional taxes imposed upon Executive due to the Company's reimbursement of the taxes on the compensation subject to the tax gross up.

(vi) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

14. **Executive Acknowledgement.**

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

DENTSPLY SIRONA Inc.

By: _____

Jeffrey T. Slovin
Chief Executive Officer

EXECUTIVE

By: _____

Christopher T. Clark

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of April___, 2016 ("Effective Date") is made by and between DENTSPLY SIRONA Inc., a Delaware corporation (the "Company"), and Ulrich Michel ("Executive") (collectively referred to herein as the "Parties").

RECITALS

A. It is the desire of the Company to assure itself of the services of Executive effective as of the Effective Date and thereafter by entering into this Agreement.

B. Executive and the Company mutually desire that Executive provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the Parties hereto agree as follows:

1. **Employment.**

(a) General. The Company shall employ Executive and Executive shall remain in the employ of the Company, for the period and in the position set forth in this Section 1, and subject to the other terms and conditions herein provided.

(b) This Agreement shall supersede and replace the Employment Agreement between Executive and Sirona Dental Systems, Inc. ("Sirona") dated as of July 29, 2013 and as amended through the date hereof (the "Prior Agreement"), which shall terminate and no longer be effective as of the Effective Date. Notwithstanding any provision pursuant to any equity incentive compensation plan of Sirona or any agreement thereunder to the contrary, Executive hereby waives vesting in any award subject thereto that otherwise would vest solely by reason of consummation of the merger ("Merger") contemplated by the Agreement and Plan of Merger ("Merger Agreement") by and among DENTSPLY International Inc., Sirona and Dawkins Merger Sub, Inc., dated September 15, 2015, and which became effective on February 29, 2016, and, such awards shall be assumed by and converted into awards of the Company (as adjusted in accordance with the provisions of the Merger Agreement) (the "Waived Awards"). Executive shall vest in full in the Waived Awards upon termination of his employment hereunder for any reason (to the extent not previously vested). Sirona is party to this Agreement solely for purposes of this Section 1(b).

(c) Employment Term. The term of employment under this Agreement (the "Term") shall be for the period beginning on the Effective Date, and shall automatically renew for twelve (12) month periods unless no later than ninety (90) days prior to the end of the applicable Term either party gives written notice of non-renewal ("Notice of Non-Renewal") to the other in which case Executive's employment will terminate at the end of the then-applicable Term, subject to earlier termination as provided in Section 3. Notwithstanding the foregoing, in the event that any Notice of Non-Renewal given by the Company indicates that the Company is willing to continue Executive's employment under the terms of a new agreement, then Executive and the Company shall negotiate in good faith regarding the terms of such new agreement. If Executive and the Company have not agreed on the terms of a new agreement within 150 days following the date of such Notice of Non-Renewal (the "Negotiation Term"), then Executive's employment shall terminate upon expiration of the Negotiation Term, unless otherwise agreed by the Company and Executive.

(d) Position and Duties. Executive shall serve as the Executive Vice President and Chief Financial Officer with such responsibilities, duties and for activities assigned by the Chief Executive Officer of the Company depending on the needs and demands of the business and the availability of other personnel, provided that such services shall generally be similar in level of position and responsibility as those set forth in this Agreement. Executive shall devote substantially all of Executive's working time and efforts to the business and affairs of the Company (which shall include service to its Affiliates) and shall not engage in outside business activities (including serving on outside boards or committees) without the consent of the Chief Executive Officer, provided that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations, (iii) serve on the board of directors of not-for-profit or tax-exempt charitable organizations, and (iv) with Chief Executive Officer approval, serve on the board of directors or similar board of for-profit organizations, in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and

policies of the Company and its subsidiaries as adopted by the Company or its Affiliates from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive (each, a "Policy").

(e) Principal Place of Employment. The Parties agree that Executive's principal office will be the Company's headquarters or such other principal office or offices, as appropriate for the performance of his duties, as mutually agreed by both parties and determined in consultation with the Chief Executive Officer. The Parties understand that given the nature of Executive's duties, Executive will be required to travel and perform services at locations other than his principal office from time to time.

2. **Compensation and Related Matters.**

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a minimum rate of €589,578 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of employment. Such annual base salary shall be subject to annual review and increase by the Board (such annual base salary, as it may be increased from time to time, the "Annual Base Salary").

(b) Bonus. With respect to each fiscal year of the Company Executive will be eligible to participate in an annual incentive program established by the Board. Executive's annual incentive compensation under such incentive program, (the "Annual Bonus") shall be targeted at 75% of his Annual Base Salary (the "Target Bonus"), and shall include the full year period commencing on January 1, 2016, with the expectation that the bonus will scale upward and downward based on actual performance, as determined by the Board, such that the actual Annual Bonus payable to Executive may be greater than, equal to or less than the Target Bonus. The Annual Bonus shall be based upon the achievement of Company and/or individual performance metrics as established by the Board. The Annual Bonus for a fiscal year will be paid no later than the fifteenth day of the third month following the end of such fiscal year.

(c) Long-Term Incentive. Prior to the first anniversary of the Effective Date, the Company will adopt a broad-based equity compensation plan and will grant Executive equity incentive awards (or other long-term incentive compensation). The grant date fair value, type of award and specific terms and conditions of such awards will be determined by the compensation committee of the Board, but shall be commensurate with Executive's position and the terms shall be consistent with the terms applicable to similarly situated officers. Executive shall be eligible to receive long-term incentive awards on an annual basis with a grant date fair value of at least $850,000.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements generally available from time to time to other similarly situated senior executives of the Company in the jurisdiction of Executive's principal office location, included but not limited to the Company's life and disability insurance policy. Executive shall receive €22,000 per annum allowance for contribution in Executive's deferred compensation plan. The Executive shall also receive an allowance of €12,000 per annum for additional medical coverage. The Executive will also be reimbursed for reasonable amounts of tax advice and financial planning services. The foregoing, however, shall not be construed to require the Company to establish any such plans or to prevent the modification or termination of any such plans once established, and no such action or failure to act shall affect this Agreement. Such allowances described herein shall be grossed up so there will be no tax disadvantage to the Executive. Executive shall receive full credit for his prior service with Sirona, including for purposes of vesting and eligibility.

(e) Paid Time Off. During the Term, Executive shall be entitled to at least twenty five (25) days, on an annualized basis, of paid personal leave in accordance with the Company's Policies. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement Policy.

(g) School Allowance. The Company will reimburse the Executive for the education costs of his dependent children in grade K to 12 (or up to the end of secondary school). Reimbursement under this provision shall be limited to tuition fees, books and necessary supplies, and local school transportation. Such allowance shall be grossed up so there will be no tax disadvantage to the Executive.

(h)

3. **Termination.**

Executive's employment hereunder may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) *Death*. Executive's employment hereunder shall terminate upon Executive's death.

(ii) *Disability*. If Executive has incurred a Disability, as defined below, the Company may terminate Executive's employment.

(iii) *Termination for Cause*. The Company may terminate Executive's employment for Cause, as defined below.

(iv) *Termination without Cause*. The Company may terminate Executive's employment without Cause.

(v) *Resignation from the Company for Good Reason.* Executive may resign Executive's employment with the Company for Good Reason, as defined below.

(vi) *Resignation from the Company without Good Reason*. Executive may resign Executive's employment with the Company without Good Reason.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 3 (other than termination pursuant to paragraph (a)(i)) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, if applicable, and (iii) specifying a Date of Termination which, if submitted by Executive pursuant to paragraph (a)(vi), shall be at least ninety (90) days following the date of such notice (a "Notice of Termination"); *provided, however,* that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. In the event of a dispute over Cause or Good Reason, either Party may introduce newly discovered or newly arising evidence in support of or in opposition to its Cause or his Good Reason.

(c) Company Obligations upon Termination Not in Connection with Change in Control. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 3(a), Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to Executive; (ii) any paid time off that has been accrued but unused in accordance with the Company's Policies; (iii) any reimbursements owed to Executive pursuant to Section 2(f); (iv) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements; and (v) except in the case of a termination of Executive's employment for Cause pursuant to Section 3(a)(iii), any earned but unpaid Annual Bonus for the prior fiscal year, and (vi) Executive shall immediately vest in his Waived Awards as provided in Section 1(b) and such Waived Awards. Except as otherwise expressly required by law (e.g., COBRA (as defined below)) or as specifically provided herein or in any other plan or arrangement maintained by the Company, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 3(c) or Section 4, or in any other plan or arrangement maintained by the Company, as applicable.

(d) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its Affiliates.

4. **Severance Payments.**

(a) Termination for Cause, or Resignation without Good Reason. If Executive's employment shall terminate pursuant to Section 3(a)(iii) for Cause, or pursuant to Section 3(a)(vi) for Executive's resignation from the Company without Good Reason, then Executive shall not be entitled to any severance payments or benefits, except as provided in Section 3(c).

(b) Termination without Cause, Resignation for Good Reason or Expiration of Term. If Executive's employment terminates without Cause pursuant to Section 3(a)(iv), Executive resigns for Good Reason pursuant to Section 3(a)(v), or Executive's employment terminates upon expiration of the Term or Negotiation Term by reason of the Company providing the Notice of Non-Renewal then, subject to Executive signing on or before the 50th day following Executive's Separation from Service (as defined below), and not revoking, a release of claims in customary and equitable form (the "Release"), and Executive's continued compliance with Sections 5 and 6, Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two (2) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable over twenty-four months immediately following the Release's effective date in equal installments in accordance with the Company's regular payroll practice following the Date of Termination, until the earlier

of (A) twenty-four (24) months after the Release's effective date or (B) the date the Executive first violates any of the restrictive covenants set forth in Sections 5 and 6 or the provisions of Section 7;

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b);

(iii) Executive's equity awards which are outstanding on the Date of Termination shall (x) remain outstanding, (y) continue to vest notwithstanding Executive's termination of employment for a period of twenty-four (24) months following the Date of Termination, and (z) remain exercisable until the earlier of ninety (90) days following the twenty-four (24) month anniversary after the Date of Termination or the date such equity award would have expired had Executive remained in continuous employment;

(iv) Company shall pay to Executive in a cash lump sum an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for twenty-four (24) months following the Date of Termination, which amount shall be based on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(v) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable and including the benefits listed under Section 2(d) and (g)) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(vi) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any pension plan (within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) maintained by the Company or its Affiliates ("Pension Plan"), and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) twenty-four (24) additional months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the twenty-four (24) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(b)(iv) and (vi), shall be paid sixty (60) days after Executive's Date of Termination.

(c) Termination in Connection With a Change in Control. In the event that Executive's employment terminates without Cause pursuant to Section 3(a)(iv) or Executive resigns for Good Reason pursuant to Section 3(a)(v) within twenty-four (24) months following a Change in Control, subject to Executive signing on or before the 50th day following Executive's Separation from Service, and not revoking, the Release and Executive's continued compliance with Sections 5 and 6, in lieu of any amounts payable under Section 4(b), then Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two and one-half (2 ½) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable in a lump sum (provided that payments shall be made in installments on the Schedule described in Section 4(b)(i) if the Change in Control does not constitute a "change in control event" described in Treasury Regulation Section 1.409A-3(i)(5));

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b);

(iii) Company shall pay to Executive an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to COBRA for twenty-four (24) months following the Date of Termination, which amount shall be based on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(iv) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable and benefits listed under Section 2(d) and (g)) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(v) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any Pension Plan, and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) thirty (30) months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the thirty (30) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(c)(i), (iii), and (v), shall be paid sixty (60) days after Executive's Date of Termination.

(d) Termination Upon Death. If Executive's employment shall terminate as a result of Executive's death pursuant to Section 3(a)(i), the Executive's estate or beneficiary shall be entitled to receive in addition to payments and benefits set forth in Section 3(c) subject to signing on or before the 50th day following Executive's death, and not revoking, the Release:

(i) a lump sum payment equal to Executive's Annual Base Salary as in effect on the date of death;

(ii) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b); and

(iii) Executive's equity awards shall vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(d)(i), shall be paid sixty (60) days after Executive's Date of Termination.

(e) Termination Upon Disability. If Executive's employment shall terminate as a result of or Disability pursuant to Section 3(a)(ii), Executive shall be entitled to receive in addition to the payments and benefits set forth in Section 3(c), subject to signing on or before the 50th day following his Date of Termination, and not revoking, the Release:

(i) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year in accordance with section 2(b); and

(ii) Executive's equity awards vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 11 and Section 13(i) will survive the termination of Executive's employment and the expiration or termination of the Term.

(g) No Mitigation; Payment to Surviving Spouse. Notwithstanding anything to the contrary in this Agreement, Executive shall not be required to seek other employment or otherwise mitigate any damages resulting from any termination of employment. In the event of Executive's death prior to payment of all compensation and benefits due to Executive under Section 3(c) or Section 4 of this Agreement, any remaining compensation and benefits shall be paid to his spouse, if any, or if none as required by laws of succession or intestacy.

5. **Covenants.**

Executive acknowledges that Executive has been provided with Confidential Information (as defined below) and, during the Term, the Company from time to time will provide Executive with access to Confidential Information. Ancillary to the rights provided to Executive as set forth in this Agreement and the Company's provision of Confidential Information, and Executive's agreements regarding the use of same, in order to protect the value of any Confidential Information, the Company and Executive agree to the following provisions, for which Executive agrees he received adequate consideration and which Executive acknowledges are reasonable and necessary to protect the legitimate interests of the Company and represent a fair balance of the Company's rights to protect its business and Executive's right to pursue employment:

(a) Executive shall not, at any time during the Restriction Period (as defined below), directly or indirectly engage in, have any equity interest in, interview for a potential employment or consulting relationship with, or manage, provide services to or operate any person, firm, corporation, partnership or business (whether as director, officer, employee, agent, representative, partner, security holder, consultant or otherwise) that engages in any business which competes with any portion of the Business (as defined below) of the Company anywhere in the world. Nothing herein shall prohibit Executive from being a passive owner of not more than 5% of the outstanding equity interest in any entity that is publicly traded, so long as Executive has no active participation in the business of such entity.

(b) Executive shall not, at any time during the Restriction Period, directly or indirectly, engage or prepare to engage in any of the following activities: (i) solicit, divert or take away any customers, clients, or business acquisition or other business opportunity of the Company, (ii) contact or solicit, with respect to hiring, or knowingly hire any employee of the Company or any person employed by the Company at any time during the 12-month period immediately preceding the Date of Termination, (iii) induce or otherwise counsel, advise or encourage any employee of the Company to leave the employment of the Company, or (iv) induce any distributor, representative or agent of the Company to terminate or modify its relationship with the Company.

(c) In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(d) As used in this Section 5, (i) the term "Company" shall include the Company and its direct and indirect parents and subsidiaries; (ii) the term "Business" shall mean the business of the Company and shall include (a) designing, developing, distributing, marketing or manufacturing dental products or (b) any other process, system, product or service marketed, sold or under development by the Company at any time during Executive's employment with the Company; and (iii) the term "Restriction Period" shall mean the period beginning on the Effective Date and ending twenty-four (24) months following the Date of Termination for any reason.

(e) Executive agrees, during the Term and following the Date of Termination, to refrain from Disparaging (as defined below) the Company and its Affiliates, including any of its services, technologies, products, processes or practices, or any of its directors, officers, agents, representatives or stockholders, either orally or in writing. The Company agrees, on its behalf and on

behalf of its Officers and Directors, to refrain from Disparaging Executive. Nothing in this paragraph shall preclude Executive or the Company (as applicable) from making truthful statements that are reasonably necessary to comply with applicable law, regulation or legal process, or to defend or enforce Executive's or the Company's rights under this Agreement. For purposes of this Agreement, "Disparaging" means making remarks, comments or statements, whether written or oral, that impugn or are reasonably likely to impugn the character, integrity, reputation or abilities of the entities, persons, services, products, technologies, processes or practices listed in this Section 5(e).

(f) Executive agrees that during the Restriction Period, Executive will cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed.

(g) Notwithstanding anything to the contrary contained in this Agreement, if and to the extent requested by the Company during the period commencing on the Date of Termination and ending at the end of the Restriction Period, Executive agrees to provide to the Company up to five (5) hours of consulting services per month, on an "as needed" basis at times and in a manner that is mutually convenient. Executive shall not receive any additional compensation for the provision of these consulting services if he is receiving the severance benefits otherwise payable pursuant to Section 4 in connection with Executive's services rendered during the Term. If Executive is not receiving severance, the Company and Executive shall agree on a mutually acceptable fee arrangement.

6. **Nondisclosure of Proprietary Information.**

(a) Except in connection with the faithful performance of Executive's duties hereunder or pursuant to Section 6(c) and (e), Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for Executive's benefit or the benefit of any person, firm, corporation or other entity (other than the Company) any confidential or proprietary information or trade secrets of or relating to the Company (including, without limitation, business plans, business strategies and methods, acquisition targets, intellectual property in the form of patents, trademarks and copyrights and applications therefor, ideas, inventions, works, discoveries, improvements, information, documents, formulae, practices, processes, methods, developments, source code, modifications, technology, techniques, data, programs, other know-how or materials, owned, developed or possessed by the Company, whether in tangible, intangible or electronic form, information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, prospects and compensation paid to employees or other terms of employment) (collectively, the "Confidential Information"), or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information. The Parties hereby stipulate and agree that, as between them, any item of Confidential Information is important, material and confidential and affects the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Notwithstanding the foregoing, Confidential Information shall not include any information that has been published in a form generally available to the public or is publicly available or has become public or general industry knowledge prior to the date Executive proposes to disclose or use such information, *provided, that* such publishing or public availability or knowledge of the Confidential Information shall not have resulted from Executive directly or indirectly breaching Executive's obligations under this Section 6(a) or any other similar provision by which Executive is bound, or from any third-party breaching a provision similar to that found under this Section 6(a). For the purposes of the previous sentence, Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if material features comprising such information have been published or become publicly available.

(b) Upon termination of Executive's employment with the Company for any reason, Executive will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents or property (in whatever form) concerning the Company's customers, business plans, marketing strategies, products, property, processes or Confidential Information.

(c) Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and shall assist such counsel at Company's expense in resisting or otherwise responding to such process, in each case to the extent permitted by applicable laws or rules.

(d) As used in this Section 6 and Section 7, the term "Company" shall include the Company and its direct and indirect parents and subsidiaries.

(e) Nothing in this Agreement shall prohibit Executive from (i) disclosing information and documents when required by law, subpoena or court order (subject to the requirements of Section 6(c) above), (ii) disclosing information and documents to Executive's attorney, financial or tax adviser for the purpose of securing legal, financial or tax advice, (iii) disclosing Executive's

post-employment restrictions in this Agreement in confidence to any potential new employer of Executive, or (iv) retaining, at any time, Executive's personal correspondence, Executive's personal contacts and documents related to Executive's own personal benefits, entitlements and obligations, except where such correspondence, contracts and documents contain Confidential Information.

7. **Inventions.**

All rights to discoveries, inventions, improvements and innovations (including all data and records pertaining thereto) related to the Business, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Executive may discover, invent or originate during the Term, either alone or with others and whether or not during working hours or by the use of the facilities of the Company ("Inventions"), shall be the exclusive property of the Company. Executive shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem reasonably necessary to protect or perfect its rights therein, and shall assist the Company, upon reasonable request and at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. Executive hereby appoints the Company as Executive's attorney-in-fact to execute on Executive's behalf any assignments or other documents reasonably deemed necessary by the Company to protect or perfect its rights to any Inventions. During the Restriction Period, Executive shall assist Company and its nominee, at any time, in the protection of Company's (or its Affiliates') worldwide right, title and interest in and to Inventions and the execution of all formal assignment documents requested by Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

8. **Injunctive Relief.**

It is recognized and acknowledged by Executive that a breach of the covenants contained in Sections 5- 6 or 7 will cause irreparable damage to Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Sections 5- 6 or 7, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to seek specific performance and injunctive relief without the requirement to post bond.

9. **Maximum Payment Limit.**

If any payment or benefit due under this Agreement, together with all other payments and benefits that Executive receives or is entitled to receive from the Company or any of its subsidiaries, Affiliates or related entities, would (if paid or provided) constitute an excess parachute payment for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amounts otherwise payable and benefits otherwise due under this Agreement will either (i) be delivered in full, or (ii) be limited to the minimum extent necessary to ensure that no portion thereof will fail to be tax-deductible to the Company by reason of Section 280G of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the excise tax imposed under Section 4999 of the Code, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the excise tax imposed under Section 4999 of the Code. In the event that the payments and/or benefits are to be reduced pursuant to this Section 9, such payments and benefits shall be reduced such that the reduction of cash compensation to be provided to the Executive as a result of this Section 9 is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations required to be made under this Section 9 shall be made by the Company's independent public accounting firm, or by another advisor mutually agreed to by the parties, which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a payment or benefit subject to this Section 9, or such earlier time as is requested by the Company.

10. **Clawback Provisions.**

Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any Policy, law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Policy, law, government regulation or stock exchange listing requirement.

11. **Assignment and Successors.**

The Company may assign its rights and obligations under this Agreement to a United States subsidiary of the Company that is the main operating company of the Company (or the principal employer of employees of the Company and its subsidiaries) in the United States or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable Company benefit plans or arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

12. **Certain Definitions.**

(a) Affiliate. "Affiliate" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(b) Beneficial Owner. "Beneficial Owner" shall have the meaning defined in Rule 13d-3 under the Exchange Act.

(c) Cause. The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i) a majority, plus at least one, of the members of the Company's Board of Directors, excluding Executive, determining that (a) Executive has committed an act of fraud against the Company, or (b) Executive has committed an act of malfeasance, recklessness or gross negligence against the Company that is materially injurious to the Company or its customers; or

(ii) a majority, plus at least one, of the members of the Company's Board of Directors, excluding Executive, determining that Executive materially breaching the terms of this Agreement; or

(iii) Executive's indictment for, or conviction of, or pleading no contest to, a felony or a crime involving Executive's moral turpitude.

Notwithstanding the foregoing, clauses (i) - (iii) shall not constitute "Cause" unless and until the Company has: (x) provided Executive, within 60 days of any Company director's knowledge of the occurrence of the facts and circumstances underlying such Cause event, written notice stating with specificity the applicable facts and circumstances underlying such finding of Cause; and (y) provided Executive with an opportunity to cure the same (if curable) within 30 days after the receipt of such notice.

(d) Change in Control. "Change in Control" shall mean an event set forth in any one of the following paragraphs shall have occurred following the Effective Date:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities ac-quired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (2) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company (or any direct or indirect parent or subsidiary of the Company) with any other company, other than (1) a merger or consolidation which would result in the Beneficial Owners of the voting securities of the Company outstanding immediately prior thereto continuing to own, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, more than 50% of the combined voting power of the voting securities of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof outstanding immediately after such merger or consolidation, (2) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at

least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, or (3) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's, a surviving entity's or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Common Shares immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(e) Date of Termination. "Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death; (ii) if Executive's employment is terminated pursuant to Section 3(a)(ii) - (vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 3(b), whichever is earlier.

(f) Disability. "Disability" shall mean, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability, "Disability" shall refer to that definition of disability which, if Executive qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether Executive has a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, Disability shall mean Executive's inability to perform, with or without reasonable accommodation, the essential functions of Executive's position hereunder for a total of three months during any twelve-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company (or its insurers). Any unreasonable refusal by Executive to submit to a medical examination for the purpose of determining Disability within a reasonable period following a written request by the Company (or its insurers) shall be deemed to constitute conclusive evidence of Executive's Disability.

(g) Exchange Act. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(h) Good Reason. "Good Reason" shall mean:

(i) the Company reduces the Executive's Annual Base Salary or Target Bonus percentage, other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board and applicable to all other senior executive officers of the Company, provided such reduction does not reduce Executive's Annual Base Salary or Target Bonus by a percentage greater than the average reduction in compensation of all other senior executive officers of the Company, or a significant reduction in Executive's other compensation, including long-term incentive compensation, and benefits has occurred below its current amount at the time of this agreement;

(ii) a material, adverse change in Executive's responsibilities, authority or duties (including as a result of the assignment of duties materially inconsistent with Executive's position), or the inability to agree on a place of employment;

(iii) the Company breaches a material obligation to Executive under the terms of this Agreement; and

(iv) the Company delivering to Executive a Notice of Non-Renewal which does not include a request to negotiate a new agreement during the Negotiation Term;

However, none of the foregoing events or conditions will constitute Good Reason unless: (x) Executive provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (y) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving that written objection, and (z) the Executive resigns his employment within thirty (30) days following the expiration of that cure period.

(i) Person. "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their owner-ship of Common Shares of the Company.

13. **Miscellaneous Provisions.**

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of State of New York without reference to the principles of conflicts of law of the State of New York or any other jurisdiction, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to the attention of the General Counsel at its headquarters,

(ii) If to Executive, at the last address that the Company has in its personnel records for Executive, or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral (including, without limitation, the Prior Agreement). The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company (other than Executive). By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company (other than Executive) may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any," "all," "each," or "every" means "any and all," and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(h) Arbitration. If any dispute or controversy arises under or in connection with this Agreement, is not resolved within a commercially reasonable time not to exceed sixty (60) days, then such dispute or controversy shall be settled exclusively by arbitration, conducted before a single neutral arbitrator at a location mutually agreed between the Company and Executive within the state of the Company's headquarters at such time in accordance with the Employment Arbitration Rules & Procedures of JAMS ("JAMS") then in effect, in accordance with this Section 13(h), except as otherwise prohibited by any nonwaivable provision of applicable law or regulation. The parties hereby agree that the arbitrator shall construe, interpret and enforce this Agreement in accordance with its express terms, and otherwise in accordance with the governing law as set forth in Section 13(a). Judgment may be entered on the arbitration award in any court having jurisdiction, *provided, however,* that either Party shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any

violation of the provisions of this Agreement and Executive hereby consents that such restraining order or injunction may be granted without requiring the other Party to post a bond. Unless the parties otherwise agree, only individuals who are on the JAMS register of arbitrators shall be selected as an arbitrator. Additionally, except upon showing of cause each party shall have the right to propound no more than 10 special interrogatories and requests for admission, and to take the deposition of one individual and any expert witness designated by the other party. Within 20 days of the conclusion of the arbitration hearing, the arbitrator shall prepare written findings of fact and conclusions of law. It is mutually agreed that the written decision of the arbitrator shall be valid, binding, final and enforceable by any court of competent jurisdiction. In the event action is brought pursuant to this Section 13(h), the arbitrator shall have authority to award fees and costs to the prevailing party, in accordance with applicable law. If in the opinion of the arbitrator there is no prevailing party, then each party shall pay its own attorney's fees and expenses. Both Executive and the Company expressly waive their right to a jury trial. Nothing in this subsection shall be construed as precluding the bringing of an action for injunctive relief or specific performance as provided in this Agreement. This dispute resolution process and any arbitration hereunder shall be confidential and neither any Party nor the arbitrator shall disclose the existence, contents or results of such process without the prior written consent of all Parties, except where necessary or compelled in a Court to enforce this arbitration provision or an award from such arbitration or otherwise in a legal proceeding. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights by Court action instead of arbitration. The Company may also enjoin by Court action any breach of Sections 5-6 or 7 as permitted by Section 8.

(i) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(j) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold or by its Policies it customarily withholds. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(k) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service") and, except as provided below, any such compensation or benefits described in Sections 4(b)-(e) shall not be paid, or, in the case of installments, shall not commence payment, until the sixtieth (60th) day following Executive's Separation from Service (the "First Payment Date"). Any lump sum payment or installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and any remaining installment payments shall be made as provided in this Agreement.

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to or any other agreement providing compensatory payments to Executive to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, any payment of compensation or benefits to which Executive is entitled under this Agreement or any other compensatory plan or agreement that is considered nonqualified deferred compensation under Section 409A payable as a result of Executive's Separation from Service shall be delayed to the extent required in order to avoid a prohibited distribution under Section 409A until the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or

Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement or any other compensatory plan or agreement shall be paid as otherwise provided herein or therein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; provided, that Executive submits Executive's reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Tax Gross Up Payments.* Any tax gross-up payments to which Executive is entitled hereunder shall be paid to Executive no later than December 31 of the year next following the year which Executive remits the related tax payments to the applicable tax authorities, including the amount of additional taxes imposed upon Executive due to the Company's reimbursement of the taxes on the compensation subject to the tax gross up.

(vi) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

14. **Executive Acknowledgement.**

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

DENTSPLY SIRONA Inc.

By: _____
Jeffrey T. Slovin
Chief Executive Officer

EXECUTIVE

By: _____
Ulrich Michel

DENTSPLY SIRONA INC.
2016 OMNIBUS INCENTIVE PLAN

Section 1. Purpose of Plan.

On September 15, 2015, DENTSPLY International Inc. ("Old DENTSPLY"), Sirona Dental Systems Inc. ("Sirona") and Dawkins Merger Sub Inc. entered into an Agreement and Plan of Merger (as it may be amended, the "Merger Agreement"), pursuant to which Dawkins Merger Sub Inc. will merge with and into Sirona, which will thereupon become a wholly-owned subsidiary of Old DENTSPLY, which will thereupon be renamed DENTSPLY SIRONA Inc. (such merger, the "Merger," and the effective time of the Merger the "Effective Time").

The name of this Plan is the DENTSPLY SIRONA Inc. 2016 Omnibus Incentive Plan (the "Plan"). The Plan will be effective as of the Effective Time, subject to approval by the shareholders of Old DENTSPLY. The purposes of the Plan are to provide a vehicle for administering certain equity incentive awards outstanding in respect of the common stock of Sirona, par value $.01 per share which will be assumed in the Merger, and to provide an additional incentive to selected officers, employees, and non-employee directors and consultants/advisors of the Company or its Affiliates whose contributions are essential to the growth and success of the business of the Company and its Affiliates, in order to strengthen the commitment of such persons to the Company and its Affiliates, motivate such persons to faithfully and diligently perform their responsibilities and attract and retain competent and dedicated persons whose efforts will result in the long-term growth and profitability of the Company and its Affiliates. To accomplish such purposes, the Plan provides that the Company may grant Options, Share Appreciation Rights, Restricted Shares, Restricted Share Units, Share Bonuses, Other Share-Based Awards, Cash Awards or any combination of the foregoing.

Section 2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

"Administrator" means the Board, or, if and to the extent the Board does not administer the Plan, the Committee.

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

"Authorized Officer" has the meaning set forth in Section 3(c) hereof.

"Award" means any Option, Share Appreciation Right, Restricted Shares, Restricted Share Unit, Share Bonus, Other Share-Based Award , Cash Award or Rollover Award granted or administered under the Plan.

"Award Agreement" means any written agreement, contract or other instrument or document evidencing an Award.

"Base Price" has the meaning set forth in Section 8(b) hereof.

"Beneficial Owner" (or any variant thereof) has the meaning defined in Rule 13d-3 under the Exchange Act.

"Board" means the Board of Directors of the Company.

"Cash Award" means an Award granted pursuant to Section 12 hereof.

"Cause" has the meaning assigned to such term in the Award Agreement or in any individual employment agreement with the Participant or, if any such agreement does not define "Cause," Cause means the Participant has (i) committed an act of fraud against the Company, (ii) committed an act of malfeasance, recklessness, or gross negligence that is materially injurious to the Company or its customers, (iii) is indicted for, or convicted of, or pleads no contest to, a felony or a crime involving Participant's moral turpitude, or (iv) breaches any confidentiality, non-competition, non-solicitation or assignment of inventions covenants to which the Participant is a party with the Company or any Affiliates.

"Change in Capitalization" means any (1) merger, amalgamation, consolidation, reclassification, recapitalization, spin-off, spin-out, repurchase or other reorganization or corporate transaction or event, (2) special or extraordinary dividend or other extraordinary distribution (whether in the form of cash, Common Shares, or other property), share split, reverse share split, subdivision or consolidation, (3) combination or exchange of shares, or (4) other change in corporate structure, which, in any such case, the Administrator determines, in its sole discretion, affects the Common Shares such that an adjustment pursuant to Section 5 hereof is appropriate.

"Change in Control" means an event set forth in any one of the following paragraphs shall have occurred following the Effective Time:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (2) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company (or any direct or indirect parent or subsidiary of the Company) with any other company, other than (1) a merger or consolidation which would result in the Beneficial Owners of the voting securities of the Company outstanding immediately prior thereto continuing to own, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, more than 50% of the combined voting power of the voting securities of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof outstanding immediately after such merger or consolidation, (2) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, or (3) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's, a surviving entity's or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, (x) a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Common Shares immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions and (y) if all or a portion of an Award constitutes deferred compensation under Section 409A of the Code and such Award (or portion thereof) is otherwise to be settled, distributed or paid on an accelerated basis due to a Change in Control event that is not a "change in control

event" described in Treasury Regulation Section 1.409A-3(i)(5) or successor guidance, if such settlement, distribution or payment would result in additional tax under Section 409A of the Code, such Award (or the portion thereof) shall vest at the time of the Change in Control (provided such accelerated vesting will not result in additional tax under Section 409A of the Code), but settlement, distribution or payment, as the case may be, shall not be accelerated.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"Committee" means the Human Resources Committee of the Board or such other committee or subcommittee the Board may appoint to administer the Plan. Unless the Board determines otherwise, the Committee shall be composed of at least two individuals who meet the qualifications of (i) an "outside director" within the meaning of Section 162(m) of the Code (but only to the extent necessary and desirable to maintain qualification of Awards as "performance-based compensation" under Section 162(m) of the Code), (ii) a "non-employee director" within the meaning of Rule 16b-3 and (iii) any other qualifications required by the applicable stock exchange on which the Common Shares are traded. If at any time or to any extent the Board shall not administer the Plan, then the functions of the Administrator specified in the Plan shall be exercised by the Committee. Except as otherwise provided in a Charter governing operation of the Committee or in the Company's by-laws, as amended from time to time, any action of the Committee with respect to the administration of the Plan shall be taken by a majority vote at a meeting at which a quorum is duly constituted or unanimous written consent of the Committee's members.

"Common Shares" means the common shares, par value U.S. $0.01 per share, of the Company.

"Company" means DENTSPLY SIRONA Inc., a Delaware corporation (or any successor company, except as the term "Company" is used in the definition of "Change in Control" above).

"Covered Employee" has the meaning ascribed to the term "covered employee" set forth in Section 162(m) of the Code.

"Disability" means the inability of a Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which is expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

"Effective Date" has the meaning set forth in Section 21 hereof.

"Effective Time" has the meaning set forth in Section 1 hereof.

"Eligible Recipient" means an officer, employee, or non-employee director of the Company or any Affiliate of the Company or any consultant or advisor to the Company or any Affiliate of the Company who is a natural person, in any event who has been selected as an eligible participant by the Administrator; provided, however, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, an Eligible Recipient of an Option or a Share Appreciation Right means an employee, non-employee director or consultant/advisor of the Company or any Affiliate of the Company with respect to whom the Company is an "eligible issuer of service recipient stock" within the meaning of Section 409A of the Code; and provided, further, that an Eligible Recipient of an ISO means an individual who is an employee of the Company or a Subsidiary thereof.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

"Executive Officer" means an officer of the Company who is subject to the liability provisions of Section 16 of the Exchange Act.

"Exercise Price" means, with respect to any Option, the per Share price at which a holder of such Option may purchase Common Shares issuable upon the exercise of such Option.

"Fair Market Value" of a Common Share or another security as of a particular date shall mean the fair market value as determined by the Administrator in its sole discretion; provided, however, (i) if the Common Share or other security is admitted to trading on a national securities exchange, the fair market value on any date shall be the closing sale price reported on such date (or if such date is not a trading day, on the last preceding date on which there was a sale of a Common Share or other security on such exchange), or (ii) if the Common Share or other security is then traded in an over-the-counter market, the fair market value on any date shall be the average of the closing bid and asked prices for the Common Share or other security in such over-the-counter market on such day (or, if none, for the last preceding date on which there was a sale of a Common Share or other security in such market).

"Free Standing Right" has the meaning set forth in Section 8(a) hereof.

"Good Reason" in respect of any Change in Control has the meaning assigned to such term in the Award Agreement or in any individual employment or severance agreement with the Participant or, if any such agreement does not define "Good Reason," means termination of employment as a result of any reduction in the employee's annual base salary as in effect immediately prior to the Change in Control; provided that the Participant provides written objection thereto within thirty (30) days of such reduction, and the Company does not reverse such reduction (or waives its right to do so) within thirty (30) days of receiving that written objection and the Participant resigning within thirty (30) days following the expiration of that cure period (or waiver, as the case may be).

"ISO" means an incentive stock option within the meaning of Section 422 of the Code.

"Legacy DENTSPLY Shares" has the meaning set forth in Section 4(a) hereof.

"Merger" has the meaning set forth in Section 1 hereof.

"Merger Agreement" has the meaning set forth in Section 1 hereof.

"Old DENTSPLY" has the meaning set forth in Section 1 hereof.

"Option" means an option to purchase Common Shares granted pursuant to Section 7 hereof.

"Other Share-Based Award" means an Award granted pursuant to Section 10 hereof.

"Participant" means any Eligible Recipient selected by the Administrator, pursuant to the Administrator's authority provided for in Section 3 below, to receive grants of Awards, any permitted assigns, and, upon his or her death, his or her successors, heirs, executors and administrators, as the case may be.

"Performance Goals" means performance goals based on one or more of the following criteria: net sales (with or without precious metal content); sales growth; operating income; margins, gross or operating margins, or cash margins; net earnings or net income (before or after taxes); pre- or after-tax income (before or after allocation of corporate overhead and bonus); operating income (before or after taxes); net operating profit (before or after taxes); earnings before or after tax; net sales; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital, cash flow return on investment, and cash flow per share (before or after dividends); gross or net margin; net operating profit (before or after taxes); earnings per share (whether on a pre-tax, after-tax, operational or other basis); basic or diluted earnings per share (before or after taxes); share price (including, but not limited to, growth measures, market capitalization and/or total stockholder return); gross profit or gross profit growth; ratio of debt to debt plus equity; credit quality or debt ratings; capital expenditures; expenses or expense levels; expense or cost targets; ratio of operating earnings to revenues or any other operating ratios; revenue, net revenue, net revenue growth or product revenue growth; return measures (including, but not limited to, return on assets, net assets, capital, total capital, tangible capital, invested capital, equity, sales, or total stockholder return); working capital targets; the extent to which business goals are met; measures of economic value added, or economic value-added models or equivalent metrics; objective measures of customer satisfaction; the accomplishment of mergers, acquisitions, dispositions, or similar extraordinary business transactions; price of the Company's Common Shares; management of costs; return on assets, net assets, invested capital, equity, or stockholders' equity; market share; market penetration; addition of new markets; inventory levels, inventory turn or shrinkage; regulatory compliance; regulatory approval for commercialization of new products; total return to stockholders; debt targets; inventory control; stockholder equity; or implementation, completion or attainment of measurable objectives with respect to recruiting and maintaining personnel. Where applicable, the Performance Goals may be expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Company or any Affiliate thereof, or a division or strategic business unit of the Company or any Affiliate thereof, or may be applied to the performance of the Company relative to a market index, a group of other companies or a combination thereof, all as determined by the Administrator. The Performance Goals may include a threshold level of performance below which no payment shall be made (or no vesting shall occur), levels of performance at which specified payments shall be made (or specified vesting shall occur), and a maximum level of performance above which no additional payment shall be made (or at which full vesting shall occur). Each of the foregoing Performance Goals may be determined in accordance with generally accepted accounting principles (to the extent determined by the Administrator to be desirable) and shall be subject to certification by the Administrator; provided, that, to the

extent permitted by Section 162(m) of the Code to the extent applicable, the Administrator shall have the authority to make equitable adjustments to the Performance Goals in recognition of unusual or non-recurring events affecting the Company or any Affiliate thereof or the financial statements of the Company or any Affiliate thereof, including, but not limited to, one or more of the following: (i) items related to a change in applicable accounting standards; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the performance period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under applicable accounting standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the performance period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; (xix) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (xx) items relating to foreign exchange or currency transactions and/or fluctuations; or (xxi) any other event determined to be extraordinary or unusual in nature or infrequent in occurrence.

"Person" has the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Common Shares of the Company.

"Plan" has the meaning set forth in Section 1 hereof.

"Prior DENTSPLY Plans" means the (i) 2010 DENTSPLY International Inc. 2010 Equity Incentive Plan, (ii) DENTSPLY International Inc. 2002 Amended and Restated Equity Incentive Plan and (iii) DENTSPLY International Inc. 1998 Stock Option Plan.

"Prior Sirona Plans" means the (i) Sirona Dental Systems, Inc. 2015 Long-Term Incentive Plan, (ii) Sirona Dental Systems, Inc. 2006 Equity Incentive Plan, (iii) Schick Technologies 1997 Stock Option Plan for Non-Employee Directors and (iv) Schick Technologies 1996 Stock Option Plan.

"Public Shares" has the meaning set forth in Section 15(c) hereof.

"Related Right" has the meaning set forth in Section 8(a) hereof.

"Restricted Shares" means Shares granted pursuant to Section 9 hereof subject to certain restrictions that lapse at the end of a specified period or periods.

"Restricted Share Unit" means the right, granted pursuant to Section 9 hereof, to receive the Fair Market Value of a Common Share or, in the case of an Award denominated in cash, to receive the amount of cash per unit that is determined by the Administrator in connection with the Award.

"Retirement" means the termination of a Participant's employment (i) upon or after attainment of age 65 or (ii) as otherwise provided in an Award Agreement.

"Rollover Award" has the meaning set forth in Section 13 hereof.

"Rule 16b-3" has the meaning set forth in Section 3(a) hereof.

"Sirona" has the meaning set forth in Section 1 hereof.

"Sirona Awards" has the meaning set forth in Section 13 hereof.

"Shares" means Common Shares reserved for issuance under the Plan, as adjusted pursuant to the Plan, and any successor (pursuant to a merger, amalgamation, consolidation or other reorganization) security.

"Share Appreciation Right" means the right to receive, upon exercise of the right, the applicable amounts as described in Section 8 hereof.

"Share Bonus" means a bonus payable in fully vested Common Shares granted pursuant to Section 11 hereof.

"Subsidiary" means, with respect to any Person, as of any date of determination, any other Person as to which such first Person owns or otherwise controls, directly or indirectly, more than 50% of the voting shares or other similar interests or a sole general partner interest or managing member or similar interest of such other Person.

"Transfer" has the meaning set forth in Section 19 hereof.

Section 3. Administration.

(a) The Plan shall be administered by the Administrator and shall be administered in accordance with the requirements of Section 162(m) of the Code (but only to the extent necessary and as determined, in the sole discretion of the Administrator, desirable to maintain qualification of Awards as performance-based compensation under Section 162(m) of the Code) and, to the extent applicable, Rule 16b-3 under the Exchange Act ("Rule 16b-3").

(b) Pursuant to the terms of the Plan, the Administrator, subject, in the case of any Committee, to any restrictions on the authority delegated to it by the Board, shall have the power and authority, without limitation:

(1) to select those Eligible Recipients who shall be Participants;

(2) to determine whether and to what extent Options, Share Appreciation Rights, Restricted Shares, Restricted Share Units, Share Bonuses, Other Share-Based Awards, Cash Awards or a combination of any of the foregoing, are to be granted hereunder to Participants;

(3) to determine the number of Shares to be covered by each Award granted hereunder;

(4) to determine the terms and conditions, not inconsistent with the terms of the Plan, of each Award granted hereunder (including, but not limited to, (i) the restrictions applicable to Restricted Shares or Restricted Share Units and the conditions under which restrictions applicable to such Restricted Shares or Restricted Share Units shall lapse, (ii) the performance goals and periods applicable to Awards, (iii) the Exercise Price of each Option and the Base Price of each Share Appreciation Right, (iv) the vesting schedule applicable to each Award, (v) the number of Shares or amount of cash or other property subject to each Award and (vi) subject to the requirements of Section 409A of the Code (to the extent applicable), any amendments to the terms and conditions of outstanding Awards);

(5) to determine the terms and conditions, not inconsistent with the terms of the Plan, which shall govern all written instruments evidencing Awards;

(6) to determine the Fair Market Value in accordance with the terms of the Plan;

(7) to determine the duration and purpose of leaves of absence which may be granted to a Participant without constituting termination of the Participant's employment for purposes of Awards granted under the Plan;

(8) to determine whether a Participant is terminated by the Company for Cause;

(9) to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(10) to prescribe, amend and rescind rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or qualifying for favorable tax treatment under applicable foreign laws, which rules and regulations may be set forth in an appendix or appendices to the Plan;

and

(11) to construe and interpret the terms and provisions of the Plan and any Award issued under the Plan (and any Award Agreement relating thereto), and to otherwise supervise the administration of the Plan and to exercise all powers and authorities either specifically granted under the Plan or necessary and advisable in the administration of the Plan.

(c) To the extent permitted by applicable law, the Board may, by resolution, authorize one or more Executive Officers (each, an "Authorized Officer") to do one or both of the following on the same basis as (and as if the Authorized Officer for such purposes were) the Administrator: (i) designate Eligible Recipients to receive Awards and (ii) determine the size of any such Awards; provided, however, that the Board shall not delegate such responsibilities to any Executive Officer for Awards to an Eligible Recipient who is an Executive Officer, a non-employee director of the Company, a Covered Employee or a more than 10% Beneficial Owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined in accordance with Section 16 of the Exchange Act. The Authorized Officer(s) shall report periodically to the Board or Committee regarding the nature and scope of the Awards granted by them pursuant to this Section 3(c).

(d) Subject to Section 5 hereof, neither the Board nor the Committee shall have the authority to reprice or cancel and regrant any Award at a lower exercise, base or purchase price or cancel any Award with an exercise, base or purchase price in exchange for cash, property or other Awards without first obtaining the approval of the Company's shareholders.

(e) Any Award granted hereunder shall provide for a vesting period or performance period, as applicable, of at least one year following the date of grant. Notwithstanding the preceding sentence, Awards representing a maximum of five percent (5%) of the Shares initially reserved for issuance under Section 4(a) hereof less the number attributable to Rollover Awards and less the number of Legacy DENTSPLY Shares may be granted hereunder without any such minimum vesting condition. Notwithstanding the provisions of this Section 3(e), forfeiture conditions applicable to an Award shall lapse and such Awards shall be deemed fully vested and any performance conditions imposed with respect to such Awards shall be deemed to be achieved at the target level of performance upon a Participant's termination of employment by reason of death or Disability, and, except to the extent determined by the Administrator to be necessary or appropriate in respect of Awards subject to Section 14 hereof, an Award Agreement may provide that the forfeiture conditions applicable to an Award shall lapse and such Awards shall be deemed fully vested and any performance conditions imposed with respect to such Awards shall be deemed to be achieved at such level as may be set forth in the Award Agreement upon a Participant's termination of employment by reason of Retirement.

(f) Unless otherwise provided in an Award Agreement, if a Participant's employment with the Company, a Subsidiary or an Affiliate terminates (i) as a result of death, Disability or Retirement, the Participant (or personal representative in the case of death) shall be entitled to exercise all or any part of any vested Option or Share Appreciation Right for a period of up to one (1) year from such date of termination, (ii) as a result of Cause, the Participant shall not be entitled to exercise all or any part of any Option or Share Appreciation Right, whether or not then vested, and (iii) for any other reason, the Participant shall be entitled to exercise all or any part of any vested Option or Share Appreciation Right for a period of up to ninety (90) days from such date of termination. In no event, however, shall any Option or Share Appreciation Right be exercisable past the term established in the Award Agreement. Any vested Option or Share Appreciation Right which is not exercised before the earlier of (i) the dates provided above or other applicable date provided in the Award Agreement or (ii) its term shall expire. Unless otherwise provided in an Award Agreement, all unvested Awards shall be forfeited upon termination of employment.

(g) All decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive and binding on all persons, including the Company and the Participants. No member of the Board or the Committee, nor any officer or employee of the Company or any Subsidiary thereof acting on behalf of the Board or the Committee (including an Authorized Officer), shall be personally liable for any action, omission, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and any such officer or employee shall, to the maximum extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, omission, determination or interpretation.

Section 4. Shares Reserved for Issuance; Certain Limitations.

(a) Subject to the other provisions of this Section 4 and adjustment as provided by Section 5 hereof, the maximum number of Common Shares reserved for issuance under the Plan shall be equal to 25,000,000 Common Shares, plus (i) the number of Common Shares subject to awards that are outstanding under the Prior DENTSPLY Plans immediately before the Effective Time and that terminate or otherwise expire without a distribution of Common Shares ("Legacy DENTSPLY Shares"), and (ii) the number of Common Shares subject to Rollover Awards. For the avoidance of doubt, the number of Common Shares reserved for issuance under this Section 4(a) does not include any shares that were available for issuance under the Prior DENTSPLY Plans or Prior Sirona Plans but that were not subject to outstanding awards under such plans immediately before the Effective Time.

(b) Any Common Shares granted as Restricted Shares, Restricted Share Units, a Share Bonus or Other Share-Based Awards (but in any event exclusive of Rollover Awards) shall be counted against the Common Shares reserved pursuant to Section 4(a) hereof as 3.09 Shares for each Share granted, and any Common Shares granted as Options or Share Appreciation Rights shall be counted against the Common Shares reserved pursuant to Section 4(a) hereof as 1.0 Share for each Share granted.

(c) Notwithstanding anything in this Plan to the contrary, and subject to adjustment as provided by Section 5 hereof, from and after such time, if any, as the Plan is subject to Section 162(m) of the Code:

(1) No Eligible Recipient other than a non-employee director of the Company will be granted Awards covering more than 1,000,000 Common Shares in the aggregate during any calendar year.

(2) No Eligible Recipient other than a non-employee director of the Company will be granted Cash Awards payable in the aggregate in excess of $10,000,000 during any calendar year.

(d) No Eligible Recipient who is a non-employee director of the Company will be granted Awards valued at more than $1,000,000 during any calendar year (with Cash Awards measured for this purpose by their value upon payment and any other Awards measured for this purpose at their grant date fair value as determined for the Company's financial reporting purposes).

(e) All of the Common Shares available for issuance under the Plan may be made subject to an Award that is an ISO.

(f) Shares issued under the Plan may, in whole or in part, be authorized but unissued Shares or Shares held in treasury that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If any Shares subject to an Award (including Rollover Awards) are forfeited, cancelled, exchanged or surrendered or if an Award (including Rollover Awards) otherwise terminates or expires without a distribution of Shares to the Participant, the Shares with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for Awards under the Plan. Notwithstanding the foregoing, Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with any Option or Share Appreciation Right under the Plan, as well as any Shares exchanged by a Participant or withheld by the Company or any Subsidiary to satisfy the tax withholding obligations related to any Award, shall not be available for subsequent Awards under the Plan, and notwithstanding that a Share Appreciation Right is settled by the delivery of a net number of Common Shares, the full number of Common Shares underlying such Share Appreciation Right shall not be available for subsequent Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be cancelled to the extent of the number of Shares as to which the Award is exercised and, notwithstanding the foregoing, such number of shares shall no longer be available for Awards under the Plan. In addition, (i) to the extent an Award (including Rollover Awards) is denominated in Common Shares, but paid or settled in cash, the number of Common Shares with respect to which such payment or settlement is made shall again be available for grants of Awards pursuant to the Plan and (ii) Common Shares underlying Awards that can only be settled in cash shall not be counted against the aggregate number of Common Shares available for Awards under the Plan.

Section 5. Equitable Adjustments.

(a) In the event of any Change in Capitalization, an equitable substitution or proportionate adjustment shall be made, in each case, as may be determined by the Administrator, in its sole discretion, in (i) the aggregate number of Common Shares reserved for issuance under the Plan and the maximum number of Common Shares or cash that may be subject to Awards granted to any Participant in any calendar year, (ii) the kind and number of securities subject to, and the Exercise Price or Base Price of, any outstanding Options and Share Appreciation Rights granted under the Plan, and (iii) the kind, number and purchase price of Common Shares, or the amount of cash or amount or type of other property, subject to outstanding Restricted Shares, Restricted Share Units, Share Bonuses and Other Share-Based Awards granted under the Plan; provided, however, that any fractional shares resulting from the adjustment shall be eliminated. Such other equitable substitutions or adjustments shall be made as may be determined by the Administrator, in its sole discretion.

(b) Without limiting the generality of the foregoing, in connection with a Change in Capitalization, the Administrator may provide, in its sole discretion, for the cancellation of any outstanding Award in exchange for payment in cash or other property having an aggregate Fair Market Value equal to the Fair Market Value of the Common Shares, cash or other property covered by such Award, reduced by the aggregate Exercise Price or Base Price thereof, if any; provided, however, that if the Exercise Price or Base Price of any outstanding Award is equal to or greater than the Fair Market Value of the Common Shares, cash or other property covered by such Award, the Administrator may cancel such Award without the payment of any consideration to the Participant.

(c) With respect to ISOs, any adjustment pursuant to this Section 5 shall be made in accordance with the provisions of Section 424(h) of the Code and any regulations or guidance promulgated thereunder. No adjustment pursuant to this Section 5 shall cause any Award which is or becomes subject to Section 409A of the Code to fail to comply with the requirements of Section 409A of the Code.

(d) The determinations made by the Administrator pursuant to this Section 5 shall be final, binding and conclusive.

Section 6. Eligibility.

The Participants under the Plan shall be selected from time to time by the Administrator, in its sole discretion, from those individuals who qualify as Eligible Recipients.

Section 7. Options.

(a) General. Each Participant who is granted an Option shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, which Award Agreement shall set forth, among other things, the Exercise Price of the Option, the term of the Option and provisions regarding exercisability of the Option. The provisions of each Option need not be the same with respect to each Participant. More than one Option may be granted to the same Participant and be outstanding concurrently hereunder. Options granted under the Plan shall be subject to the terms and conditions set forth in this Section 7 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable and set forth in the applicable Award Agreement. No Option granted hereunder shall be an ISO unless it is designated as such in the applicable Award Agreement.

(b) Exercise Price. The Exercise Price of Shares purchasable under an Option shall be determined by the Administrator in its sole discretion at the time of grant, but in no event shall the exercise price of an Option be less than one hundred percent (100%) of the Fair Market Value of the related Common Shares on the date of grant.

(c) Option Term. The maximum term of each Option shall be fixed by the Administrator, but no Option shall be exercisable more than ten (10) years after the date such Option is granted. Each Option's term is subject to earlier expiration pursuant to the applicable provisions in the Plan and the Award Agreement.

(d) Exercisability. Each Option shall be exercisable at such time or times and subject to such terms and conditions, including the attainment of pre-established Performance Goals or other performance goals, as shall be determined by the Administrator in the applicable Award Agreement. The Administrator may also provide that any Option shall be exercisable only in installments. Notwithstanding anything to the contrary contained herein, an Option may not be exercised for a fraction of a share.

(e) Method of Exercise. Options may be exercised in whole or in part by giving written notice of exercise to the Company specifying the number of whole Shares to be purchased, accompanied by payment in full of the aggregate Exercise Price of the Shares so purchased in cash or its equivalent, as determined by the Administrator. As determined by the Administrator, in its sole discretion, with respect to any Option or category of Options, payment in whole or in part may also be made (i) by means of consideration received under any cashless exercise procedure approved by the Administrator (including the withholding of Shares otherwise issuable upon exercise), (ii) in the form of unrestricted Shares already owned by the Participant which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (iii) any other form of consideration approved by the Administrator and permitted by applicable law or (iv) any combination of the foregoing.

(f) Rights as Shareholder. A Participant shall have no rights to dividends or distributions or any other rights of a shareholder with respect to the Shares subject to an Option until the Participant has given written notice of the exercise thereof, has paid in full for such Shares and has satisfied the requirements of Section 18 hereof.

(g) Termination of Employment or Service. Subject to Sections 3(e) and 3(f) hereof, in the event of the termination of employment or service with the Company and all Affiliates thereof of a Participant who has been granted one or more Options, such Options shall be exercisable at such time or times and subject to such terms and conditions as set forth in the Award Agreement.

(h) Special ISO Provisions. No ISO shall be granted to any Eligible Recipient if such Eligible Recipient owns, immediately prior to the grant of the ISO, stock representing more than 10% of the voting power or more than 10% of the value of all classes of stock of the Company or a parent or a Subsidiary, unless the purchase price for the stock under such ISO shall be at least 110% of its Fair Market Value at the time such ISO is granted and the ISO, by its terms, shall not be exercisable more than five years from the date it is granted. In determining such stock ownership, the provisions of Section 424(d) of the Code shall be controlling.

Section 8. Share Appreciation Rights.

(a) General. Share Appreciation Rights may be granted either alone ("Free Standing Right" or in conjunction with all or part of any Option granted under the Plan ("Related Rights"). Related Rights may be granted either at or after the time of the grant of such Option. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, grants of Share Appreciation Rights shall be made, the number of Shares to be awarded, the Base Price, and all other conditions of Share Appreciation Rights. Notwithstanding the foregoing, no Related Right may be granted for more Shares than are subject to the Option to which it relates. The provisions of Share Appreciation Rights need not be the same with respect to each Participant. Share Appreciation Rights granted under the Plan shall be subject to the following terms and conditions set forth in this Section 8 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable, as set forth in the applicable Award Agreement.

(b) Base Price. Each Share Appreciation Right shall be granted with a base price that is not less than one hundred percent (100%) of the Fair Market Value of the related Common Shares on the date of grant (such amount, the "Base Price").

(c) Awards; Rights as Shareholder. A Participant shall have no rights to dividends or any other rights of a shareholder with respect to the Common Shares, if any, subject to a Share Appreciation Right until the Participant has given written notice of the exercise thereof and has satisfied the requirements of Section 18 hereof.

(d) Exercisability.

(1) Share Appreciation Rights that are Free Standing Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator in the applicable Award Agreement (which may include, but not be limited to, achievement of pre-established Performance Goals or other performance goals).

(2) Share Appreciation Rights that are Related Rights shall be exercisable only at such time or times and to the extent that the Options to which they relate shall be exercisable in accordance with the provisions of Section 7 hereof and this Section 8 of the Plan.

(e) Consideration Upon Exercise.

(1) Upon the exercise of a Free Standing Right, the Participant shall be entitled to receive up to, but not more than, that number of Shares equal in value to (i) the excess of the Fair Market Value as of the date of exercise over the Base Price per share specified in the Free Standing Right, multiplied by (ii) the number of Shares in respect of which the Free Standing Right is being exercised.

(2) A Related Right may be exercised by a Participant by surrendering the applicable portion of the related Option. Upon such exercise and surrender, the Participant shall be entitled to receive up to, but not more than, that number of Shares equal in value to (i) the excess of the Fair Market Value as of the date of exercise over the Exercise Price specified in the related Option, multiplied by (ii) the number of Shares in respect of which the Related Right is being exercised. Options which have been so surrendered, in whole or in part, shall no longer be exercisable to the extent the Related Rights have been so exercised.

(3) Notwithstanding the foregoing, the Administrator may determine to settle the exercise of a Share Appreciation Right in cash (or in any combination of Shares and cash).

(f) Termination of Employment or Service. Subject to Sections 3(e) and 3(f) hereof:

(1) in the event of the termination of employment or service with the Company and all Affiliates thereof of a Participant who has been granted one or more Free Standing Rights, such rights shall be exercisable at such time or times and subject to such terms and conditions as set forth in the Award Agreement; and

(2) in the event of the termination of employment or service with the Company and all Affiliates thereof of a Participant who has been granted one or more Related Rights, such rights shall be exercisable at such time or times and subject to such terms and conditions as set forth in the related Options.

(g) Term.

(1) The term of each Free Standing Right shall be fixed by the Administrator, but no Free Standing Right shall be exercisable more than ten (10) years after the date such right is granted.

(2) The term of each Related Right shall be the term of the Option to which it relates, but no Related Right shall be exercisable more than ten (10) years after the date such right is granted.

Section 9. Restricted Shares and Restricted Share Units.

(a) General. Restricted Shares and Restricted Share Units may be issued either alone or in addition to other awards granted under the Plan. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, Restricted Shares or Restricted Share Units shall be made; the number of Shares to be awarded; the price, if any, to be paid by the Participant for the acquisition of Restricted Shares or Restricted Share Units; the period of time prior to which Restricted Shares or Restricted Share Units become vested and free of restrictions on Transfer (the "Restricted Period"); the Performance Goals or other performance goals (if any) upon whose attainment the Restricted Period shall lapse in part or full; and all other conditions of the Restricted Shares and Restricted Share Units. If the restrictions, performance goals and/or conditions established by the Administrator are not attained, a Participant shall forfeit his or her Restricted Shares or Restricted Share Units, in accordance with the terms of the Award Agreement. The provisions of Restricted Shares or Restricted Share Units need not be the same with respect to each Participant.

(b) Awards and Certificates.

(1) Except as otherwise provided below in Section 9(c) hereof, (i) each Participant who is granted an award of Restricted Shares may, in the Company's sole discretion, be issued a share certificate in respect of such Restricted Shares; and (ii) any such certificate so issued shall be registered in the name of the Participant, and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to any such Award. The Company may require that the share certificates, if any, evidencing Restricted Shares be held in the custody of the Company until the restrictions thereon shall have lapsed, and that, as a condition of any award of Restricted Shares, the Participant shall have delivered a share transfer form, endorsed in blank, relating to the Shares covered by such award. Certificates for unrestricted Common Shares may, in the Company's sole discretion, be delivered to the Participant only after the Restricted Period has expired without forfeiture in respect of such Restricted Shares.

(2) With respect to Restricted Share Units, at the expiration of the Restricted Period, share certificates in respect of the Common Shares underlying such Restricted Share Units will, in the Company's sole discretion, be delivered to the Participant, or his legal representative, in a number equal to the number of Common Shares underlying the Restricted Share Units.

(3) Notwithstanding anything in the Plan to the contrary, any Restricted Shares or Restricted Share Units (at the expiration of the Restricted Period) may, in the Company's sole discretion, be issued in uncertificated form.

(4) Further, notwithstanding anything in the Plan to the contrary, with respect to Restricted Share Units, at the expiration of the Restricted Period, Shares shall promptly be issued to the Participant, unless otherwise deferred in accordance with procedures established by the Company in accordance with Section 409A of the Code, and such issuance shall in any event be made no later than March 15th of the calendar year following the year of vesting or within other such period as is required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code.

(c) Restrictions and Conditions. The Restricted Shares and Restricted Share Units granted pursuant to this Section 9 shall be subject to any restrictions or conditions as determined by the Administrator at the time of grant or, subject to Section 409A of the Code where applicable, thereafter. Except as provided in the applicable Award Agreement, the Participant shall generally have the rights of a shareholder of the Company with respect to Restricted Shares during the Restricted Period, including the right to vote such shares and to receive any dividends declared with respect to such shares. The Participant shall generally not have the rights of a shareholder with respect to Common Shares subject to Restricted Share Units during the Restricted Period; provided, however, that, subject to Section 409A of the Code, an amount equal to dividends declared during the Restricted Period with respect to the number of Common Shares covered by Restricted Share Units may, to the extent set forth in an Award Agreement, be provided to the Participant.

(d) Termination of Employment or Service. Subject to Section 3(f) hereof, the rights of Participants granted Restricted Shares or Restricted Share Units upon termination of employment or service with the Company and all Affiliates thereof for any reason during the Restricted Period shall be set forth in the Award Agreement.

Section 10. Other Share-Based Awards.

Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Shares, including but not limited to dividend equivalents, may be granted either alone or in addition to other Awards under the Plan. Any dividend or dividend equivalent awarded hereunder shall be subject to the same restrictions, conditions and risks of forfeiture as the underlying Award. Subject to the provisions of the Plan, the Administrator shall have sole and complete authority to determine the individuals to whom and the time or times at which such Other Share-Based Awards shall be granted, the number of Common Shares to be granted pursuant to such Other Share-Based Awards, the manner in which such Other Share-Based Awards shall be settled (e.g., in Common Shares, cash or other property), the conditions to the vesting and/or payment or settlement of such Other Share-Based Awards (which may include, but not be limited to, achievement of pre-established Performance Goals or other performance goals) and all other terms and conditions of such Other Share-Based Awards.

Section 11. Share Bonuses.

In the event that the Administrator grants a Share Bonus, the Shares constituting such Share Bonus shall, as determined by the Administrator, be evidenced in uncertificated form or by a book entry record or a certificate issued in the name of the Participant to whom such grant was made and delivered to such Participant as soon as practicable after the date on which such Share Bonus is payable.

Section 12. Cash Awards.

The Administrator may grant awards that are payable solely in cash, as deemed by the Administrator to be consistent with the purposes of the Plan, and such Cash Awards shall be subject to the terms, conditions, restrictions and limitations determined by the Administrator, in its sole discretion, from time to time. Cash Awards may be granted with value and payment contingent upon the achievement of pre-established Performance Goals or other performance goals.

Section 13. Rollover Awards

Effective as of the Effective Time, the Company shall issue Awards (the "Rollover Awards") in connection with the assumption by the Company of certain stock options, restricted stock units and performance-based restricted stock units and any other equity-based awards under the Prior Sirona Plans outstanding as of immediately before the Effective Time (collectively, the "Sirona Awards"). Notwithstanding any other provision of the Plan to the contrary, (i) the exercise price per share and number of Common Shares covered by each Rollover Award shall be determined by the Company in accordance with the formula prescribed in the Merger Agreement, and (ii) the vesting and other terms and conditions of each Rollover Award will be substantially the same as the vesting and other terms and conditions of the corresponding Sirona Award.

Section 14. Special Provisions Regarding Certain Awards.

The Administrator may make Awards hereunder to Covered Employees (or to individuals whom the Administrator believes may become Covered Employees) that are intended to qualify as performance-based compensation under Section 162(m) of the Code. The exercisability and/or payment of such Awards may, to the extent required to qualify as performance-based compensation under Section 162(m) of the Code, be subject to the achievement of performance criteria based upon one or more Performance Goals and to certification of such achievement in writing by the Committee. The Committee may in its discretion reduce the amount of such Awards that would otherwise become exercisable and/or payable upon achievement of such Performance Goals and the certification in writing of such achievement, but may not increase such amounts. Any such Performance Goals shall be established in writing by the Committee not later than the time period prescribed under Section 162(m) of the Code and the regulations thereunder. Notwithstanding anything set forth in the Plan to contrary, all provisions of such Awards which are intended to qualify as performance-based compensation under Section 162(m) of the Code shall be construed in a manner to so comply.

Section 15. Change in Control Provisions.

(a) If a Change in Control occurs and a Participant's employment or service is terminated by the Company, its successor or an Affiliate thereof without Cause or by the Participant for Good Reason on or after the effective date of the Change in Control but prior to twenty-four (24) months following the Change in Control, then: (i) any unvested or unexercisable portion of any Award carrying a right to exercise shall become fully vested and exercisable; and (ii) the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to an Award granted under the Plan shall lapse and such Awards shall be deemed fully vested and any performance conditions imposed with respect to such Awards shall be deemed to be achieved at the target level of performance.

(b) Notwithstanding the foregoing provisions of this Section 15, with respect to each outstanding Award that is not assumed or substituted in connection with a Change in Control, then immediately prior to the occurrence of the Change in Control: (i) any unvested or unexercisable portion of any Award carrying a right to exercise shall become fully vested and exercisable; and (ii) the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to an Award granted under the Plan shall lapse and such Awards shall be deemed fully vested and any performance conditions imposed with respect to such Awards shall be deemed to be achieved at the target level of performance.

(c) For purposes of this Section 15, Awards shall be considered assumed or substituted for if, upon the occurrence of a Change in Control after which there will be a generally recognized U.S. public market for (1) the Common Shares, (2) common stock for which Common Shares are exchanged, or (3) the common stock of a successor or acquirer entity or any direct or indirect parent thereof (such publicly traded stock, "Public Shares"), the then outstanding Awards are assumed, exchanged or substituted for by a successor or acquirer entity or any direct or indirect parent thereof such that following the Change in Control, the Awards relate to such Public Shares and, except as otherwise provided by this Section 15, remain subject to such terms and conditions that were applicable to the Awards prior to the Change in Control.

(d) Notwithstanding any other provision of the Plan, in the event that each outstanding Award is not assumed or substituted in connection with a Change in Control and except as would otherwise result in adverse tax consequences under Section 409A of the Code, the Administrator may, in its discretion, provide that each Award shall, immediately upon the occurrence of the Change in Control, be cancelled in exchange for a payment in cash or securities in an amount equal to (i) the excess (if any) of the consideration paid per Common Share in the Change in Control over the exercise or purchase price per Common Share subject to the Award multiplied by (ii) the number of Common Shares granted under the Award. Without limiting the generality of the foregoing, in the event that the consideration paid per Common Share in the Change in Control is less than or equal to the exercise or purchase price per Common Share subject to the Award, then the Administrator may, in its discretion, cancel such Award without any consideration upon the occurrence of a Change in Control.

Section 16. Amendment and Termination.

The Board may amend, alter or terminate the Plan at any time, but no amendment, alteration, or termination shall be made that would impair the rights of a Participant under any Award theretofore granted without such Participant's consent. Unless the Board determines otherwise, the Board shall obtain approval of the Company's shareholders for any amendment to the Plan that would require such approval in order to satisfy the requirements of Section 162(m) of the Code (but only to the extent necessary and desirable to maintain qualification of Awards as performance-based compensation under Section 162(m) of the Code), any rules of the stock exchange on which the Common Shares are traded or other applicable law. The Administrator may amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to Section 5 of the Plan and the immediately preceding sentence, no such amendment shall impair the rights of any Participant without his or her consent.

Section 17. Unfunded Status of Plan.

The Plan is intended to constitute an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the Company.

Section 18. Withholding Taxes.

Each Participant shall, no later than the date as of which the value of an Award first becomes includible in the gross income of such Participant for purposes of applicable taxes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, the minimum amount of any such applicable taxes required by law to be withheld with respect to the Award (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 other applicable governmental entity). The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant. Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy the applicable withholding tax requirements related thereto. Whenever Shares or property other than cash are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy the related taxes to be withheld and applied to the tax obligations; provided, however, that, with the approval of the Administrator (which approval may be granted or withheld in its sole discretion and may but need not be applied on a uniform or consistent basis), a Participant may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or other property, as applicable, or (ii) delivering already owned unrestricted Common Shares, in each case, having a value equal to the applicable taxes to be withheld and applied to the tax obligations (with any fractional share amounts resulting therefrom settled in cash). Such withheld or already owned and unrestricted Common Shares shall be valued at their Fair Market Value on the date on which the amount of tax to be withheld is determined. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to an award. The Company may also use any other method of obtaining the necessary payment or proceeds, as permitted by law, to satisfy its withholding obligation with respect to any Award.

Section 19. Transfer of Awards.

No purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any Award or any agreement or commitment to do any of the foregoing (each, a "Transfer") by any holder thereof will be valid, except as otherwise expressly provided in an Award Agreement or with the prior written consent of the Administrator, which consent may be granted or withheld in the sole discretion of the Administrator. Any other purported Transfer of an Award or any economic benefit or interest therein shall be null and void *ab initio*, and shall not create any obligation or liability of the Company, and any Person purportedly acquiring any Award or any economic benefit or interest therein transferred in violation of the provisions of this Section 18 shall not be entitled to be recognized as a holder of any Common Shares or other property underlying such Award. Unless otherwise determined by the Administrator, an Option may be exercised, during the lifetime of the Participant, only by the Participant or, during any period during which the Participant is under a legal disability, by the Participant's guardian or legal representative.

Section 20. Continued Employment or Service.

The adoption of the Plan shall not confer upon any Eligible Recipient any right to continued employment or service with the Company or any Subsidiary or Affiliate thereof, as the case may be, nor shall it interfere in any way with the right of the Company or any Subsidiary or Affiliate thereof to terminate the employment or service of any of its Eligible Recipients at any time.

Section 21. Effective Date.

The Board of Directors of Old DENTSPLY adopted the Plan on November 30, 2015 (the "Effective Date"). The Plan will become effective as of the Effective Time subject to prior approval by the shareholders of Old DENTSPLY. The Plan will not become effective if the Merger Agreement is terminated before the Merger is consummated or the shareholders of Old DENTSPLY do not approve the Plan.

Section 22. Term of Plan.

No Award shall be granted pursuant to the Plan on or after the tenth anniversary of the Effective Date, but Awards granted before such tenth anniversary may extend beyond that date.

Section 23. Securities Matters and Regulations.

(a) Notwithstanding anything herein to the contrary, the obligation of the Company to sell or deliver Common Shares with respect to any Award granted under the Plan shall be subject to all applicable laws, rules and regulations, including all applicable federal and state securities laws and Delaware law, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Administrator in its sole discretion. The Administrator may require, as a condition of the issuance and delivery of certificates evidencing Common Shares pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Administrator, in its sole discretion, deems necessary or advisable.

(b) Each Award is subject to the requirement that, if at any time the Administrator determines that the listing, registration or qualification of Common Shares issuable pursuant to the Plan is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Common Shares, no such Award shall be granted or payment made or Common Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Administrator.

(c) In the event that the disposition of Common Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act and is not otherwise exempt from such registration, such Common Shares shall be restricted against transfer to the extent required by the Securities Act of 1933, as amended, or regulations thereunder, and the Administrator may require a Participant receiving Common Shares pursuant to the Plan, as a condition precedent to receipt of such Common Shares, to represent to the Company in writing that the Common Shares acquired by such Participant is acquired for investment only and not with a view to distribution.

Section 24. No Fractional Shares.

No fractional Common Shares shall be issued or delivered pursuant to the Plan. The Administrator shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

Section 25. Beneficiary.

A Participant may file with the Administrator a written designation of a beneficiary on such form as may be prescribed by the Administrator and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

Section 26. Paperless Administration.

In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

Section 27. Severability.

If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in the Plan.

Section 28. Clawback.

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation, stock exchange listing requirement or Company Award Agreement or policy, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any Award Agreement or policy adopted by the Company pursuant to any such law, government regulation, stock exchange listing requirement or otherwise).

Section 29. Section 409A of the Code.

The Plan as well as payments and benefits under the Plan are intended to be exempt from or, to the extent subject thereto, to comply with, Section 409A of the Code, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, a Participant shall not be considered to have terminated employment or service with the Company for purposes of the Plan and no payment shall be due to the Participant under the Plan or any Award until the Participant would be considered to have incurred a "separation from service" from the Company and its Affiliates within the meaning of Section409A of the Code. Any payments described in the Plan that are due within the "short term deferral period" as defined in Section409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Section409A of the Code, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under this Plan shall be construed as a separate identified payment for purposes of Section409A of the Code. The Company makes no representation that any or all of the payments or benefits described in this Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section409A of the Code from applying to any such payment. Each Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section409A of the Code.

Section 30. Governing Law.

The Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Delaware without regard to conflicts of laws principles.

Exhibit 10.26

Execution Version

Employment Agreement

This Employment Agreement (this "Agreement"), dated as of December 11, 2015, is made by and between DENTSPLY International Inc., a Delaware corporation (together with any successor thereto, the "Company"), Sirona Dental Systems, Inc. ("Sirona") (solely for the purposes of Section 1(b)) and Jeffrey T. Slovin ("Executive") (collectively referred to herein as the "Parties").

RECITALS

A. It is the desire of the Company to assure itself of the services of Executive effective as of the Effective Date and thereafter by entering into this Agreement.

B. Executive and the Company mutually desire that Executive provide services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the respective covenants and agreements set forth below, the Parties hereto agree as follows:

1. Employment.

(a) General. Effective on the consummation of the transactions (including without limitation the merger ("Merger")) contemplated by the Agreement and Plan of Merger ("Merger Agreement") by and among DENTSPLY International Inc., Sirona and Dawkins Merger Sub, Inc., dated September 15, 2015 (the "Effective Date"), the Company shall employ Executive and Executive shall remain in the employ of the Company, for the period and in the position set forth in this Section 1, and subject to the other terms and conditions herein provided. In the event the above-mentioned closing does not occur for any reason, this Agreement shall not become effective and shall be null and void and of no force or effect.

(b) This Agreement shall supersede and replace the Employment Agreement made as of June 14, 2006 between Sirona, and its subsidiary Schick Technologies, Inc. and Executive, as amended through the date hereof (the "Prior Agreement"), which shall terminate and no longer be effective as of the Effective Date. Notwithstanding any provision pursuant to any equity incentive compensation plan of Sirona or any agreement thereunder to the contrary, Executive hereby waives vesting in any award subject thereto that otherwise would vest solely by reason of consummation of the Merger and, such awards shall be assumed by and converted into awards of the Company (as adjusted as of the Effective Time in accordance with the provisions of the Merger Agreement) (the "Waived Awards"). Executive shall vest in full in the Waived Awards upon termination of his employment without Cause, his resignation for Good Reason, or his termination as a result of Disability or death. Sirona is party to this Agreement solely for purposes of this Section 1(b).

(c) Employment Term. The term of employment under this Agreement (the "Term") shall be for the period beginning on the Effective Date, and ending on the third anniversary of the Effective Date, subject to earlier termination as provided in Section 3. The Term shall automatically renew for additional twelve (12) month periods unless no later than ninety (90) days prior to the end of the applicable Term either party gives written notice of non-renewal ("Notice of Non-Renewal") to the other in which case Executive's employment will terminate at the end of the then-applicable Term, subject to earlier termination as provided in Section 3. Notwithstanding the foregoing, in the event that any Notice of Non-Renewal given by the Company indicates that the Company is willing to continue Executive's employment under the terms of a new agreement, then Executive and the Company shall negotiate in good faith regarding the terms of such new agreement. If Executive and the Company have not agreed on the terms of a new agreement within 150 days following the date of such Notice of Non-Renewal (the "Negotiation Term"), then Executive's employment shall terminate upon expiration of the Negotiation Term, unless otherwise agreed by the Company and Executive.

(d) Position and Duties. Executive shall serve as Chief Executive Officer of the Company reporting to the Board of Directors of the Company (the "Board") through the Executive Chairman of the Company with such responsibilities, duties and authority established in the Company's bylaws, certificate of incorporation and Corporate Guidelines/Policies all as in effect on the Effective Date, as they may be modified from time to time in accordance with their terms, or as normally associated with such position and as may from time to time be assigned to Executive by the Board. Executive shall also serve as a member of the Board of Directors of the Company. Executive shall devote substantially all of Executive's working time and efforts to the business and affairs of the Company (which shall include service to its Affiliates) and shall not engage in outside business activities (including serving on outside boards or committees) without the consent of the Board, provided that Executive shall be permitted to (i) manage Executive's personal, financial and legal affairs, (ii) participate in trade associations, (iii) serve on the board of directors of not-for-profit or tax-exempt charitable organizations, and (iv) with Board approval, serve on the board of directors or similar board of for-profit organizations, in each case, subject to compliance with this Agreement and provided that such activities do not materially interfere with Executive's performance of Executive's duties and responsibilities hereunder. Executive agrees to observe and comply with the rules and policies of the Company and its subsidiaries as adopted by the Company or its Affiliates from time to time, in each case as amended from time to time, as set forth in writing, and as delivered or made available to Executive (each, a "Policy").

(e) Principal Place of Employment. On the Effective Date Executive's principal office location is Bensheim, Germany. The Parties agree that Executive will relocate his principal office to the Company's headquarters or such other principal office or offices, as appropriate for the performance of his

duties, as determined in consultation with the Executive Chairman and the Board. The Parties understand that given the nature of Executive's duties, Executive will be required to travel and perform services at locations other than his principal office from time to time.

2. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a minimum rate of $950,000 per annum, which shall be paid in accordance with the customary payroll practices of the Company and shall be pro-rated for partial years of employment. Such annual base salary shall be subject to annual review and increase by the Board (such annual base salary, as it may be increased from time to time, the "Annual Base Salary").

(b) Bonus. With respect to each fiscal year of the Company, Executive will be eligible to participate in an annual incentive program established by the Board. Executive's annual incentive compensation under such incentive program, (the "Annual Bonus") shall be targeted at 130% of his Annual Base Salary (the "Target Bonus"), pro-rated for the fiscal year in which the Term commences, with the expectation that the bonus will scale upward and downward based on actual performance, as determined by the Board, such that the actual Annual Bonus payable to Executive may be greater than, equal to or less than the Target Bonus. The Annual Bonus shall be based upon the achievement of Company and/or individual performance metrics as established by the Board. The Annual Bonus for a fiscal year will be paid no later than the fifteenth day of the third month following the end of such fiscal year.

(c) Long-Term Incentive. Prior to the first anniversary of the Effective Date, the Company will adopt a broad-based equity compensation plan and will grant Executive equity incentive awards (or other long-term incentive compensation) with a grant date fair value of at least $4,815,000. The type of award and specific terms and conditions of such awards will be determined by the compensation committee of the Board.

(d) Benefits. During the Term, Executive shall be eligible to participate in employee benefit plans, programs and arrangements generally available from time to time to other similarly situated senior executives of the Company in the jurisdiction of Executive's principal office location. Upon Executive's relocation to the United States he shall be entitled to participation in the Company's Supplemental Employee Retirement Plan (the "SERP Benefits") on terms not less favorable than as in effect immediately prior to the Merger or receive replacement benefits of equivalent value thereto. The Company shall recognize Executive's past service with Sirona (and any subsidiary or predecessor thereto) for all purposes (including vesting, eligibility to participate and level of benefits under all Company employee benefit plans and arrangements in which Executive is eligible to participate, except to the extent applying such service credit would result in a duplication of benefits).

(e) Paid Time Off. During the Term, Executive shall be entitled to at least twenty five (25) days, on an annualized basis, of paid personal leave in accordance with the Company's Policies. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive.

(f) Business Expenses. During the Term, the Company shall reimburse Executive for all reasonable travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement Policy.

(g) Relocation and Repatriation. The Company will provide, or reimburse Executive, for the following:

(i) Reasonable expenses relating to relocating Executive's household from Germany to one location in the United States (the "Relocation Expenses");

(ii) The Company will also pay Executive an additional amount such that, after payment by Executive of all taxes (which taxes shall be calculated based on the highest combined federal and state personal income tax rates applicable in the year of such payment) imposed in respect of the Relocation Expenses which are not deductible by Executive for federal income tax purposes, Executive retains an amount equal to the Relocation Expenses;

(iii) The Company will make Executive whole on an after-tax basis for German employment income and other applicable taxes on Executive's remuneration (regardless of when paid or incurred) in excess of the tax Executive would owe if such remuneration was subject only to federal, state and local taxation applicable at Executive's fiscal domicile prior to relocation to Germany, with such tax equalization to be calculated by the Company's outside accounting firm and paid with the monthly payroll; and

(iv) Until Executive has completed his relocation and repatriation back to the United States and for all periods which Executive has tax liability exposure therefore, the Company will provide and pay for Executive's tax filings (including any amended tax filings, if necessary) and advice in Germany and the United States with regard to Executive's remuneration earned or granted while domiciled in Germany and any implications raised as a result of Executives repatriation, and any tax liability (including interest and penalties) to which Executive may be exposed due to insufficient amounts being withheld from Executive's compensation for tax purposes.

(h) Expatriate Benefits. With respect to when Executive's principal place of employment is or was in Germany, Executive shall be entitled to expatriate benefits in accordance with Sirona's expatriate Policy as in effect at the time of the Merger, including but not limited to automobile, schooling and housing allowances. Upon Executive's repatriation to the United States, Executive shall no longer be eligible for such expatriate benefits.

3. Termination.

Executive's employment hereunder may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) *Death*. Executive's employment hereunder shall terminate upon Executive's death.

(ii) *Disability*. If Executive has incurred a Disability, as defined below, the Company may terminate Executive's employment.

(iii) *Termination for Cause*. The Company may terminate Executive's employment for Cause, as defined below.

(iv) *Termination without Cause*. The Company may terminate Executive's employment without Cause.

(v) *Resignation from the Company for Good Reason.* Executive may resign Executive's employment with the Company for Good Reason, as defined below.

(vi) *Resignation from the Company without Good Reason*. Executive may resign Executive's employment with the Company without Good Reason.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 3 (other than termination pursuant to paragraph (a)(i)) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated, if applicable, and (iii) specifying a Date of Termination which, if submitted by Executive pursuant to paragraph (a)(vi), shall be at least ninety (90) days following the date of such notice (a "Notice of Termination"); *provided, however,* that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. In the event of a dispute over Cause or Good Reason, either Party may introduce newly discovered or newly arising evidence in support of or in opposition to its Cause or his Good Reason.

(c) Company Obligations upon Termination Not in Connection with Change in Control. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 3(a), Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Annual Base Salary earned through the Date of Termination, but not yet paid to Executive; (ii) any paid time off that has been accrued but unused in accordance with the Company's Policies; (iii) any reimbursements owed to Executive pursuant to Section 2(f), (g), or (h); (iv) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements; (v) except in the case of a termination of Executive's employment for Cause pursuant to Section 3(a)(iii), any earned but unpaid Annual Bonus for the prior fiscal year, and (vi) except in the case of a termination of Executive's employment for Cause pursuant to Section 3(a)(iii) or his resignation without Good Reason pursuant to Section 3(a)(vi), Executive shall immediately vest in his Waived Awards as provided in Section 1(b) and such Waived Awards. Except as otherwise expressly required by law (e.g., COBRA (as defined below)) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 3(c) or Section 4, as applicable.

(d) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its Affiliates.

4. <u>Severance Payments.</u>

(a) Termination for Cause, or Resignation without Good Reason. If Executive's employment shall terminate pursuant to Section 3(a)(iii) for Cause, or pursuant to Section 3(a)(v) for Executive's resignation from the Company without Good Reason, then Executive shall not be entitled to any severance payments or benefits, except as provided in Section 3(c).

(b) Termination without Cause, Resignation for Good Reason or Expiration of Term. If Executive's employment terminates without Cause pursuant to Section 3(a)(iv), Executive resigns for Good Reason pursuant to Section 3(a)(v), or Executive's employment terminates upon expiration of the Term or Negotiation Term by reason of the Company providing the Notice of Non-Renewal then, subject to Executive signing on or before the 50th day following Executive's Separation from Service (as defined below), and not revoking, a release of claims in the Company's customary form (the "Release"), and Executive's continued compliance with Sections 5 and 6, Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two (2) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable over twenty-four months immediately following the Release's effective date in equal installments in accordance with the Company's regular payroll practice following the Date of Termination, until the earlier of (A) twenty-four (24) months after the Release's effective date or (B) the date the Executive first violates any of the restrictive covenants set forth in Sections 5 and 6 or the provisions of Section 7;

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the

fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year;

(iii) Executive's equity awards (other than Waived Awards) which are not performance based and are outstanding on the Date of Termination shall (x) remain outstanding, (y) continue to vest notwithstanding Executive's termination of employment for a period of twenty-four (24) months following the Date of Termination, with full vesting in all such equity awards on the twenty-four (24) month anniversary of the Date of Termination and (z) remain exercisable until the earlier of ninety (90) days following the twenty-four (24) month anniversary after the Date of Termination or the date such equity award would have expired had Executive remained in continuous employment;

(iv) Executive's equity awards (other than Waived Awards) which are performance based and that are unvested on the Date of Termination shall (x) remain outstanding, (y) continue to vest notwithstanding Executive's termination of employment but subject to satisfaction of the performance objectives set forth in such equity award for a period of twenty-four (24) months following the Date of Termination, and (z) remain exercisable until the earlier of ninety (90) days after the twenty-four (24) month anniversary of the Date of Termination or the date such equity award would have expired had Executive remained in continuous employment;

(v) Company shall pay to Executive in a cash lump sum an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") for twenty-four (24) months following the Date of Termination, which amount shall be based on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(vi) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(vii) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any pension plan (within the meaning of Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) maintained by the Company or its Affiliates, including the SERP Benefits ("Pension Plan"), and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) twenty-four (24) additional months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the twenty-four (24) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan. Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(b)(v) and (vii), shall be paid sixty (60) days after Executive's Date of Termination.

(c) Termination in Connection With a Change in Control. In the event that Executive's employment terminates without Cause pursuant to Section 3(a)(iv) or Executive resigns for Good Reason pursuant to Section 3(a)(v) within twenty-four (24) months following a Change in Control, subject to Executive signing on or before the 50th day following Executive's Separation from Service, and not revoking, the Release and Executive's continued compliance with Sections 5 and 6, in lieu of any amounts payable under Section 4(b), then Executive shall receive, in addition to payments and benefits set forth in Section 3(c), the following benefits:

(i) Company shall pay to Executive, an amount equal to two and one-half (2 ½) times the sum of (A) the Annual Base Salary plus (B) the Target Bonus, payable in a lump sum (provided that payments shall be made in installments on the Schedule described in Section 4(b)(i) if the Change in Control does not constitute a "change in control event" described in Treasury Regulation Section 1.409A-3(i)(5));

(ii) Company shall pay to Executive an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year;

(iii) Company shall pay to Executive an amount equal to the amount of the premiums Executive would have been required to pay to continue Executive's and Executive's covered dependents' medical, dental and vision coverage in effect on the Date of Termination under the Company's group healthcare plans pursuant to COBRA for twenty-four (24) months following the Date of Termination, which amount shall be based

on the premium for the first month of COBRA coverage and shall be paid regardless of whether or not Executive elects COBRA continuation coverage;

(iv) Subject to continued payment by Executive of any applicable cost owed by him under the applicable plan, for the twenty-four (24) months following the Date of Termination continuation of life and accidental death and dismemberment benefits substantially similar to those provided to Executive and (as applicable) his dependents immediately prior to the date of termination or, as applicable and if more favorable to Executive, those provided in respect of Executive immediately prior to the first occurrence of an event or circumstance constituting Good Reason (in each case, however, subject to any amendments to such arrangements from time to time that are generally applicable to senior executives of the Company), at no greater cost to Executive than the cost to Executive immediately prior to such date or occurrence; and

(v) For purposes of determining the amount of any benefit payable to Executive and Executive's right to any benefit otherwise payable under any Pension Plan, and except to the extent it would result in a duplication of benefits under the following sentence, Executive shall be treated as if he had accumulated (after the date of termination) thirty (30) months of service credit thereunder and had been credited during such period with his compensation as in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason). In addition to the benefits to which Executive is entitled under any defined contribution Pension Plan, the Company shall pay Executive a lump sum amount, in cash, equal to the sum of (A) the amount that would have been contributed thereto or credited thereunder by the Company on Executive's behalf during the thirty (30) months following his termination (but not including as amounts that would have been contributed or credited an amount equal to the amount of any reduction in base salary, bonus or other compensation that would have occurred in connection with such contribution or credit), determined (x) as if Executive made or received the maximum permissible contributions thereto or credits thereunder during such period, and (y) as if Executive earned compensation during such period at the rate in effect immediately before termination (or, if greater and as applicable, immediately prior to the first occurrence of an event or circumstance constituting Good Reason), and (B) the excess, if any, of (x) Executive's account balance under the Pension Plan as of the date of termination over (y) the portion of such account balance that is nonforfeitable under the terms of the Pension Plan. Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(c)(iii), and (v), shall be paid sixty (60) days after Executive's Date of Termination.

(d) Termination Upon Death. If Executive's employment shall terminate as a result of Executive's death pursuant to Section 3(a)(i), the Executive's estate or beneficiary shall be entitled to receive in addition to payments and benefits set forth in Section 3(c) subject to signing on or before the 50th day following Executive's death, and not revoking, the Release:

(i) a lump sum payment equal to Executive's annual Base Salary as in effect on the date of death;

(ii) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year; and

(iii) Executive's equity awards shall vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

Notwithstanding the foregoing but subject to execution and nonrevocation of the Release, the cash lump sum amounts payable pursuant to Section 4(d)(i), shall be paid sixty (60) days after Executive's Date of Termination.

(e) Termination Upon Disability. If Executive's employment shall terminate as a result of or Disability pursuant to Section 3(a)(ii), Executive shall be entitled to receive in addition to the payments and benefits set forth in Section 3(c), subject to signing on or before the 50th day following his Date of Termination, and not revoking, the Release:

(i) an amount equal to the Annual Bonus, determined based on the actual performance of the Company for the full fiscal year in which Executive's employment terminates, prorated for the number of days of employment completed during the fiscal year in which the Date of Termination occurs, payable in a lump sum cash amount at the time it would otherwise have been paid had the Executive remained employed for the entire fiscal year; and

(ii) Executive's equity awards vest in full at the Date of Termination, with any performance based awards vesting at the greater of target or actual performance through the Date of Termination.

(f) Survival. Notwithstanding anything to the contrary in this Agreement, the provisions of Sections 5 through 11 and Section 13(i) will survive the termination of Executive's employment and the expiration or termination of the Term.

(d) No Mitigation; Payment to Surviving Spouse. Notwithstanding anything to the contrary in this Agreement, Executive shall not be required to seek other employment or otherwise mitigate any damages resulting from any termination of employment. In the event of Executive's death prior to payment of all compensation and benefits due to Executive under Section 3(c) or Section 4 of this Agreement, any remaining compensation and benefits shall be paid to his spouse, if any, or if none as required by laws of succession or intestacy.

5. **Covenants.** Executive acknowledges that Executive has been provided with Confidential Information (as defined below) and, during the Term, the Company from time to time will provide Executive with access to Confidential Information. Ancillary to the rights provided to Executive as set forth in this Agreement and the Company's provision of Confidential Information, and Executive's agreements regarding the use of same, in order to protect the value of any Confidential Information, the Company and Executive agree to the following provisions, for which Executive agrees he received adequate consideration and which Executive acknowledges are reasonable and necessary to protect the legitimate interests of the Company and represent a fair balance of the Company's rights to protect its business and Executive's right to pursue employment:

(a) Executive shall not, at any time during the Restriction Period (as defined below), directly or indirectly engage in, have any equity interest in, interview for a potential employment or consulting relationship with, or manage, provide services to or operate any person, firm, corporation, partnership or business (whether as director, officer, employee, agent, representative, partner, security holder, consultant or otherwise) that engages in any business which competes with any portion of the Business (as defined below) of the Company anywhere in the world. Nothing herein shall prohibit Executive from being a passive owner of not more than 5% of the outstanding equity interest in any entity that is publicly traded, so long as Executive has no active participation in the business of such entity.

(b) Executive shall not, at any time during the Restriction Period, directly or indirectly, engage or prepare to engage in any of the following activities: (i) solicit, divert or take away any customers, clients, or business acquisition or other business opportunity of the Company, (ii) contact or solicit, with respect to hiring, or knowingly hire any employee of the Company or any person employed by the Company at any time during the 12-month period immediately preceding the Date of Termination, (iii) induce or otherwise counsel, advise or encourage any employee of the Company to leave the employment of the Company, or (iv) induce any distributor, representative or agent of the Company to terminate or modify its relationship with the Company.

(c) In the event the terms of this Section 5 shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(d) As used in this Section 5, (i) the term "Company" shall include the Company and its direct and indirect parents and subsidiaries; (ii) the term "Business" shall mean the business of the Company and shall include (a) designing, developing, distributing, marketing or manufacturing dental products or (b) any other process, system, product or service marketed, sold or under development by the Company at any time during Executive's employment with the Company; and (iii) the term "Restriction Period" shall mean the period beginning on the Effective Date and ending twenty-four (24) months following the Date of Termination for any reason.

(e) Executive agrees, during the Term and following the Date of Termination, to refrain from Disparaging (as defined below) the Company and its Affiliates, including any of its services, technologies, products, processes or practices, or any of its directors, officers, agents, representatives or stockholders, either orally or in writing. Nothing in this paragraph shall preclude Executive from making truthful statements that are reasonably necessary to comply with applicable law, regulation or legal process, or to defend or enforce Executive's rights under this Agreement. For purposes of this Agreement, "Disparaging" means making remarks, comments or statements, whether written or oral, that impugn or are reasonably likely to impugn the character, integrity, reputation or abilities of the entities, persons, services, products, technologies, processes or practices listed in this Section 5(e).

(f) Executive agrees that during the Restriction Period, Executive will cooperate fully with the Company in its defense of or other participation in any administrative, judicial or other proceeding arising from any charge, complaint or other action which has been or may be filed.

(g) Notwithstanding anything to the contrary contained in this Agreement, if and to the extent requested by the Company during the period commencing on the Date of Termination and ending at the end of the Restriction Period, Executive agrees to provide to the Company up to five (5) hours of consulting services per month, on an "as needed" basis at times and in a manner that is mutually convenient. Executive shall not receive any additional compensation for the provision of these consulting services beyond the severance benefits otherwise payable pursuant to Section 4 in connection with Executive's services rendered during the Term.

6. **Nondisclosure of Proprietary Information.**

(a) Except in connection with the faithful performance of Executive's duties hereunder or pursuant to Section 6(c) and (e), Executive shall, in perpetuity, maintain in confidence and shall not directly, indirectly or otherwise, use, disseminate, disclose or publish, or use for Executive's benefit or the benefit of any person, firm, corporation or other entity (other than the Company) any confidential or proprietary information or trade secrets of or relating to the Company (including, without limitation, business plans, business strategies and methods, acquisition targets, intellectual property in the form of patents, trademarks and copyrights and applications therefor, ideas, inventions, works, discoveries, improvements, information, documents, formulae, practices, processes, methods, developments, source code, modifications, technology, techniques, data, programs, other know-how or materials, owned, developed or possessed by the Company, whether in tangible, intangible or electronic form, information with respect to the Company's operations, processes, products, inventions, business practices, finances, principals, vendors, suppliers, customers, potential customers, marketing methods, costs, prices, contractual relationships, regulatory status, prospects and compensation paid to employees or other terms of employment) (collectively, the "Confidential Information"), or deliver to any person, firm, corporation or other entity any document, record, notebook, computer program or similar repository of or containing any such Confidential Information. The Parties hereby stipulate and agree that, as between them, any item of Confidential Information is important, material and confidential and affects the successful conduct of the businesses of the Company (and any successor or assignee of the Company). Notwithstanding the foregoing, Confidential Information shall not include any information that has been published in a form generally available to the public or is publicly available or has become public or general industry knowledge prior to the date Executive proposes to disclose or use such information, *provided, that* such publishing or public availability or knowledge of the Confidential Information shall not have resulted from Executive directly or indirectly breaching

Executive's obligations under this Section 6(a) or any other similar provision by which Executive is bound, or from any third-party breaching a provision similar to that found under this Section 6(a). For the purposes of the previous sentence, Confidential Information will not be deemed to have been published or otherwise disclosed merely because individual portions of the information have been separately published, but only if material features comprising such information have been published or become publicly available.

(b) Upon termination of Executive's employment with the Company for any reason, Executive will promptly deliver to the Company all correspondence, drawings, manuals, letters, notes, notebooks, reports, programs, plans, proposals, financial documents, or any other documents or property (in whatever form) concerning the Company's customers, business plans, marketing strategies, products, property, processes or Confidential Information.

(c) Executive may respond to a lawful and valid subpoena or other legal process but shall give the Company the earliest possible notice thereof, shall, as much in advance of the return date as possible, make available to the Company and its counsel the documents and other information sought and shall assist such counsel at Company's expense in resisting or otherwise responding to such process, in each case to the extent permitted by applicable laws or rules.

(d) As used in this Section 6 and Section 7, the term "Company" shall include the Company and its direct and indirect parents and subsidiaries.

(e) Nothing in this Agreement shall prohibit Executive from (i) disclosing information and documents when required by law, subpoena or court order (subject to the requirements of Section 6(c) above), (ii) disclosing information and documents to Executive's attorney, financial or tax adviser for the purpose of securing legal, financial or tax advice, (iii) disclosing Executive's post-employment restrictions in this Agreement in confidence to any potential new employer of Executive, or (iv) retaining, at any time, Executive's personal correspondence, Executive's personal contacts and documents related to Executive's own personal benefits, entitlements and obligations, except where such correspondence, contracts and documents contain Confidential Information.

7. Inventions.

All rights to discoveries, inventions, improvements and innovations (including all data and records pertaining thereto) related to the Business, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Executive may discover, invent or originate during the Term, either alone or with others and whether or not during working hours or by the use of the facilities of the Company ("Inventions"), shall be the exclusive property of the Company. Executive shall promptly disclose all Inventions to the Company, shall execute at the request of the Company any assignments or other documents the Company may deem reasonably necessary to protect or perfect its rights therein, and shall assist the Company, upon reasonable request and at the Company's expense, in obtaining, defending and enforcing the Company's rights therein. Executive hereby appoints the Company as Executive's attorney-in-fact to execute on Executive's behalf any assignments or other documents reasonably deemed necessary by the Company to protect or perfect its rights to any Inventions. During the Restriction Period, Executive shall assist Company and its nominee, at any time, in the protection of Company's (or its Affiliates') worldwide right, title and interest in and to Inventions and the execution of all formal assignment documents requested by Company or its nominee and the execution of all lawful oaths and applications for patents and registration of copyright in the United States and foreign countries.

8. Injunctive Relief.

It is recognized and acknowledged by Executive that a breach of the covenants contained in Sections 5- 6 or 7 will cause irreparable damage to Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Sections 5- 6 or 7, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief without the requirement to post bond.

9. Maximum Payment Limit. If any payment or benefit due under this Agreement, together with all other payments and benefits that Executive receives or is entitled to receive from the Company or any of its subsidiaries, Affiliates or related entities, would (if paid or provided) constitute an excess parachute payment for purposes of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), the amounts otherwise payable and benefits otherwise due under this Agreement will either (i) be delivered in full, or (ii) be limited to the minimum extent necessary to ensure that no portion thereof will fail to be tax-deductible to the Company by reason of Section 280G of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state or local income and employment taxes and the excise tax imposed under Section 4999 of the Code, results in the receipt by the Executive, on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be subject to the excise tax imposed under Section 4999 of the Code. In the event that the payments and/or benefits are to be reduced pursuant to this Section 9, such payments and benefits shall be reduced such that the reduction of cash compensation to be provided to the Executive as a result of this Section 9 is minimized. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code and where two economically equivalent amounts are subject to reduction but payable at different times, such amounts shall be reduced on a pro rata basis but not below zero. All determinations required to be made under this Section 9 shall be made by the Company's independent public accounting firm, or by another advisor mutually agreed to by the parties, which shall provide detailed supporting calculations both to the Company and Executive within fifteen (15) business days of the receipt of notice from Executive that there has been a payment or benefit subject to this Section 9, or such earlier time as is requested by the Company.

10. Clawback Provisions.

Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to Executive pursuant to this Agreement or any other agreement or arrangement with the Company which is subject to recovery under any Policy, law,

government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Policy, law, government regulation or stock exchange listing requirement.

11. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to a United States subsidiary of the Company that is the main operating company of the Company (or the principal employer of employees of the Company and its subsidiaries) in the United States or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and any applicable Company benefit plans or arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

12. Certain Definitions.

(a) Affiliate. "Affiliate" shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(b) Beneficial Owner. "Beneficial Owner" shall have the meaning defined in Rule 13d-3 under the Exchange Act.

(c) Cause. The Company shall have "Cause" to terminate Executive's employment hereunder upon:

(i) a majority, plus at least one, of the members of the Company's Board of Directors, excluding Executive, determining that (a) Executive has committed an act of fraud against the Company, or (b) Executive has committed an act of malfeasance, recklessness or gross negligence against the Company that is materially injurious to the Company or its customers; or

(ii) Executive materially breaching the terms of this Agreement; or

(iii) Executive's indictment for, or conviction of, or pleading no contest to, a felony or a crime involving Executive's moral turpitude.

Notwithstanding the foregoing, clauses (i) – (iii) shall not constitute "Cause" unless and until the Company has: (x) provided Executive, within 60 days of any Company director's knowledge of the occurrence of the facts and circumstances underlying such Cause event, written notice stating with specificity the applicable facts and circumstances underlying such finding of Cause; and (y) provided Executive with an opportunity to cure the same (if curable) within 30 days after the receipt of such notice.

(d) Change in Control. "Change in Control" shall mean an event set forth in any one of the following paragraphs shall have occurred following the Effective Date:

(i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (2) of paragraph (iii) below; or

(ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company (or any direct or indirect parent or subsidiary of the Company) with any other company, other than (1) a merger or consolidation which would result in the Beneficial Owners of the voting securities of the Company outstanding immediately prior thereto continuing to own, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, more than 50% of the combined voting power of the voting securities of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof outstanding immediately after such merger or consolidation, (2) a merger or consolidation immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the Company, the entity surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof, or (3) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 30% or more of the

combined voting power of the Company's, a surviving entity's or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the board of directors of the entity to which such assets are sold or disposed or any parent thereof.

Notwithstanding the foregoing, a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Common Shares immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(e) Date of Termination. "Date of Termination" shall mean (i) if Executive's employment is terminated by Executive's death, the date of Executive's death; (ii) if Executive's employment is terminated pursuant to Section 3(a)(ii) – (vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 3(b), whichever is earlier.

(f) Disability. "Disability" shall mean, at any time the Company or any of its affiliates sponsors a long-term disability plan for the Company's employees, "disability" as defined in such long-term disability plan for the purpose of determining a participant's eligibility for benefits, provided, however, if the long-term disability plan contains multiple definitions of disability, "Disability" shall refer to that definition of disability which, if Executive qualified for such disability benefits, would provide coverage for the longest period of time. The determination of whether Executive has a Disability shall be made by the person or persons required to make disability determinations under the long-term disability plan. At any time the Company does not sponsor a long-term disability plan for its employees, Disability shall mean Executive's inability to perform, with or without reasonable accommodation, the essential functions of Executive's position hereunder for a total of three months during any twelve-month period as a result of incapacity due to mental or physical illness as determined by a physician selected by the Company (or its insurers) . Any unreasonable refusal by Executive to submit to a medical examination for the purpose of determining Disability within a reasonable period following a written request by the Company (or its insurers) shall be deemed to constitute conclusive evidence of Executive's Disability.

(g) Exchange Act. "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(h) Good Reason. "Good Reason" shall mean:

(i) a reduction in Base Salary, other than any reduction which is insignificant or is implemented as part of a formal austerity program approved by the Board and applicable to all other senior executive officers of the Company, provided such reduction does not reduce Executive's Base Salary by a percentage greater than the average reduction in compensation of all other senior executive officers of the Company

(ii) the Company reduces Executive's total target annual compensation opportunity (Annual Base Salary plus Target Bonus plus grant date value of annual equity awards) below $6,500,000;

(iii) a material, adverse change in Executive's responsibilities, authority or duties (including as a result of the assignment of duties materially inconsistent with Executive's position);

(iv) the Company breaches a material obligation to Executive under the terms of this Agreement;

(v) the Company requires Executive to relocate his principal office without his consent to a location other than the Company's headquarters or the Company's principal offices in the United States as in existence on the Effective Date; and

(vi) the Company delivering to Executive a Notice of Non-Renewal which does not include a request to negotiate a new agreement during the Negotiation Term;

However, none of the foregoing events or conditions will constitute Good Reason unless: (x) Executive provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (y) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving that written objection, and (z) the Executive resigns his employment within thirty (30) days following the expiration of that cure period.

(i) Person. "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Common Shares of the Company.

13. Miscellaneous Provisions.

(a) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of State of New York without reference to the principles of conflicts of law of the State of New York or any other jurisdiction, and where applicable, the laws of the United States.

(b) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(c) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company, to the attention of the General Counsel at its headquarters,

(ii) If to Executive, at the last address that the Company has in its personnel records for Executive, or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(e) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the subject matter hereof and supersede all prior understandings and agreements, whether written or oral (including, without limitation, the Prior Agreement). The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(f) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company (other than Executive). By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company (other than Executive) may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(g) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (i) the plural includes the singular and the singular includes the plural; (ii) "and" and "or" are each used both conjunctively and disjunctively; (iii) "any," "all," "each," or "every" means "any and all," and "each and every"; (iv) "includes" and "including" are each "without limitation"; (v) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (vi) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(h) Arbitration. If any dispute or controversy arises under or in connection with this Agreement, is not resolved within a commercially reasonable time not to exceed sixty (60) days, then such dispute or controversy shall be settled exclusively by arbitration, conducted before a single neutral arbitrator at a location mutually agreed between the Company and Executive within the state of the Company's headquarters at such time in accordance with the Employment Arbitration Rules & Procedures of JAMS ("JAMS") then in effect, in accordance with this Section 13(h), except as otherwise prohibited by any nonwaivable provision of applicable law or regulation. The parties hereby agree that the arbitrator shall construe, interpret and enforce this Agreement in accordance with its express terms, and otherwise in accordance with the governing law as set forth in Section 13(a). Judgment may be entered on the arbitration award in any court having jurisdiction, *provided, however,* that the either Party shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of this Agreement and Executive hereby consents that such restraining order or injunction may be granted without requiring the other Party to post a bond. Unless the parties otherwise agree, only individuals who are on the JAMS register of arbitrators shall be selected as an arbitrator. Additionally, except upon showing of cause each party shall have the right to propound no more than 10 special interrogatories and requests for admission, and to take the deposition of one individual and any expert witness designated by the other party. Within 20 days of the conclusion of the arbitration hearing, the arbitrator shall prepare written findings of fact and conclusions of law. It is mutually agreed that the written decision of the arbitrator shall be valid, binding, final and enforceable by any court of competent jurisdiction. In the event action is brought pursuant to this Section 13(h), the arbitrator shall have authority to award fees and costs to the prevailing party, in accordance with applicable law. If in the opinion of the arbitrator there is no prevailing party, then each party shall pay its own attorney's fees and expenses. Both Executive and the Company expressly waive their right to a jury trial. Nothing in this subsection shall be construed as precluding the bringing of an action for injunctive relief or specific performance as provided in this Agreement. This dispute resolution process and any arbitration hereunder shall be confidential and neither any Party nor the arbitrator shall disclose the existence, contents or results of such process without the prior written consent of all Parties, except where necessary or compelled in a Court to enforce this arbitration provision or an award from such arbitration or otherwise in a legal proceeding. Notwithstanding the foregoing, Executive and the Company each have the right to resolve any issue or dispute over intellectual property rights by Court action instead of arbitration. The Company may also enjoin by Court action any breach of Sections 5-6 or 7 as permitted by Section 8.

(i) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(j) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold or by its Policies it customarily withholds. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

(k) Section 409A.

(i) *General.* The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) *Separation from Service.* Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement that is considered nonqualified deferred compensation under Section 409A and is designated under this Agreement as payable upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a "Separation from Service") and, except as provided below, any such compensation or benefits described in Sections 4(b)-(e) shall not be paid, or, in the case of installments, shall not commence payment, until the sixtieth (60th) day following Executive's Separation from Service (the "First Payment Date"). Any lump sum payment or installment payments that would have been made to Executive during the sixty (60) day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and any remaining installment payments shall be made as provided in this Agreement.

(iii) *Specified Employee.* Notwithstanding anything in this Agreement to or any other agreement providing compensatory payments to Executive to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, any payment of compensation or benefits to which Executive is entitled under this Agreement or any other compensatory plan or agreement that is considered nonqualified deferred compensation under Section 409A payable as a result of Executive's Separation from Service shall be delayed to the extent required in order to avoid a prohibited distribution under Section 409A until the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement or any other compensatory plan or agreement shall be paid as otherwise provided herein or therein.

(iv) *Expense Reimbursements.* To the extent that any reimbursements under this Agreement are subject to Section 409A, any such reimbursements payable to Executive shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred; provided, that Executive submits Executive's reimbursement request promptly following the date the expense is incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, other than medical expenses referred to in Section 105(b) of the Code, and Executive's right to reimbursement under this Agreement will not be subject to liquidation or exchange for another benefit.

(v) *Tax Gross Up Payments.* Any tax gross-up payments to which Executive is entitled hereunder shall be paid to Executive no later than December 31 of the year next following the year which Executive remits the related tax payments to the applicable tax authorities, including the amount of additional taxes imposed upon Executive due to the Company's reimbursement of the taxes on the compensation subject to the tax gross up.

(vi) *Installments.* Executive's right to receive any installment payments under this Agreement, including without limitation any continuation salary payments that are payable on Company payroll dates, shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

14. <u>Executive Acknowledgement.</u>

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first above written.

DENTSPLY INTERNATIONAL INC.

By: /s/ Bret W. Wise

Name: Bret W. Wise

Title: Chairman and Chief Executive Officer

SIRONA DENTAL SYSTEMS, INC.

By: /s/ Jonathan Friedman

Name: Jonathan Friedman

Title: General Counsel

EXECUTIVE

By: /s/ Jeffrey T. Slovin

Jeffrey T. Slovin

Exhibit 10.29

SIRONA DENTAL SYSTEMS, INC.
EQUITY INCENTIVE PLAN, AS AMENDED

1. *Purpose*.

This plan shall be known as the Sirona Dental Systems, Inc. Equity Incentive Plan (the "Plan"). The purpose of the Plan shall be to promote the long-term growth and profitability of Sirona Dental Systems, Inc. (the "Company") and its Subsidiaries by (i) providing certain directors, officers and employees of, and certain other individuals who perform services for, or to whom an offer of employment has been extended by, the Company and its Subsidiaries with incentives to maximize stockholder value and otherwise contribute to the success of the Company and (ii) enabling the Company to attract, retain and reward the best available persons for positions of responsibility. Grants of incentive or non-qualified stock options, stock appreciation rights ("SARs"), either alone or in tandem with options, restricted stock, performance awards or any combination of the foregoing may be made under the Plan.

2. *Definitions*.

(a) "Board of Directors" and "Board" mean the board of directors of the Company.

(b) "Cause" shall, with respect to any participant, have the equivalent meaning as the term "cause" or "for cause" in any employment, consulting, or independent contractor's agreement between the participant and the Company or any Subsidiary, or in the absence of such an agreement that contains such a defined term, shall mean the occurrence of one or more of the following events:

(i) Conviction of any felony or any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or

(ii) Deliberate or reckless conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise, or any other serious misconduct of such a nature that the participant's continued relationship with the Company or a Subsidiary may reasonably be expected to adversely affect the business or properties of the Company or any Subsidiary; or

(iii) Willful refusal to perform or reckless disregard of duties properly assigned, as determined by the Company; or

(iv) Breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

For purposes of this Section 2(b), any good faith determination of "Cause" made by the Committee shall be binding and conclusive on all interested parties.

(c) "Change in Control" means the occurrence of one of the following events:

(i) if any "person" or "group" as those terms are used in Sections 13(d) and 14(d) of the Exchange Act or any successors thereto, other than an Exempt Person, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act or any successor thereto), directly or indirectly, of securities of the Company representing more than 50% of either the then outstanding shares or the combined voting power of the then outstanding securities of the Company; or

(ii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board and any new directors whose election by the Board or nomination for election by the Company's stockholders was approved by at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election was previously so approved, cease for any reason to constitute a majority thereof; or

(iii) the consummation of a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation which would result in all or a portion of the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iv) the consummation of a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company's assets, other than a sale to an Exempt Person.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) "Committee" means the Compensation Committee of the Board, which shall consist solely of two or more members of the Board.

(f) "Common Stock" means the Common Stock, par value $.01 per share, of the Company, and any other shares into which such stock may be changed by reason of a recapitalization, reorganization, merger, consolidation or any other change in the corporate structure or capital stock of the Company.

(g) "Competition" is deemed to occur if a person whose employment with the Company or its Subsidiaries has terminated obtains a position as a full-time or part-time employee of, as a member of the board of directors of, or as a consultant or advisor with or to, or acquires an ownership interest in excess of 2% of, a corporation, partnership, firm or other entity that engages in any of the businesses of the Company or any Subsidiary with which the person was involved in a management role at any time during his or her last five years with the Company or any Subsidiaries.

(h) "Disability" means a disability that would entitle an eligible participant to payment of monthly disability payments under any Company disability plan or any agreement between the eligible participant and the Company as otherwise determined by the Committee.

(i) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(j) "Exempt Person" means (i) MDCP IV Global Investments LP and its affiliates, (ii) any person, entity or group controlled by or under common control with any party included in clause (i), or (iii) any employee benefit plan of the Company or any Subsidiary, or a trustee or other administrator or fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary.

(k) "Family Member" has the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto.

(l) "Fair Market Value" of a share of Common Stock of the Company means, as of the date in question, the officially-quoted closing selling price of the stock (or if no selling price is quoted, the bid price) on the principal securities exchange on which the Common Stock is then listed for trading (including for this purpose the The Nasdaq Stock Market) (the "Market") for the applicable trading day or, if the Common Stock is not then listed or quoted in the Market, the Fair Market Value shall be the fair value of the Common Stock determined in good faith by the Board; provided, however, that when shares received upon exercise of an option are immediately sold in the open market, the net sale price received may be used to determine the Fair Market Value of any shares used to pay the exercise price or applicable withholding taxes and to compute the withholding taxes.

(m) "Good Reason" shall, with respect to any participant, have the equivalent meaning as the term "good reason" or "for good reason" in any employment, consulting, or independent contractor's agreement between the

participant and the Company or any Subsidiary, or in the absence of such an agreement that contains such a defined term, shall mean (i) the assignment to the participant of any duties materially inconsistent with the participant's duties or responsibilities as assigned by the Company (or a Subsidiary), or any other action by the Company (or a Subsidiary) which results in a material diminution in such duties or responsibilities, excluding for this purpose any isolated, insubstantial and inadvertent actions not taken in bad faith and which are remedied by the Company (or a Subsidiary) promptly after receipt of notice thereof given by the participant; (ii) any material failure by the Company (or a Subsidiary) to make any payment of compensation or pay any benefits to the participant that have been agreed upon between the Company (or a Subsidiary) and the participant in writing, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company (or a Subsidiary) promptly after receipt of notice thereof given by the participant; or (iii) the Company's (or Subsidiary's) requiring the participant to be based at any office or location outside of fifty miles from the location of employment or service as of the date of award, except for travel reasonably required in the performance of the participant's responsibilities.

(n) "Incentive Stock Option" means an option conforming to the requirements of Section 422 of the Code and any successor thereto.

(o) "Non-Employee Director" has the meaning given to such term in Rule 16b-3 under the Exchange Act and any successor thereto.

(p) "Non-qualified Stock Option" means any stock option other than an Incentive Stock Option.

(q) "Other Company Securities" mean securities of the Company other than Common Stock, which may include, without limitation, unbundled stock units or components thereof, debentures, preferred stock, warrants and securities convertible into or exchangeable for Common Stock or other property.

(r) "Performance Award" means a right, granted to a participant under Section 12 hereof, to receive awards based upon performance criteria specified by the Committee.

(s) "Performance Goals" means goals established by the Committee as contingencies for Performance Awards to vest and/or become exercisable or distributable.

(t) "Retirement" means retirement as defined under any Company pension plan or retirement program or termination of one's employment on retirement with the approval of the Committee.

(u) "Share" means a share of Common Stock that may be issued pursuant to the Plan.

(v) "Subsidiary" means a corporation or other entity of which outstanding shares or ownership interests representing 50% or more of the combined voting power of such corporation or other entity entitled to elect the management thereof, or such lesser percentage as may be approved by the Committee, are owned directly or indirectly by the Company.

3. *Administration*.

The Plan shall be administered by the Committee; provided that the Board may, in its discretion, at any time and from time to time, resolve to administer the Plan, in which case the term "Committee" shall be deemed to mean the Board for all purposes herein. Subject to the provisions of the Plan, the Committee shall be authorized to (i) select persons to participate in the Plan, (ii) determine the form and substance of grants made under the Plan to each participant, and the conditions and restrictions, if any, subject to which such grants will be made, (iii) certify that the conditions and restrictions applicable to any grant have been met, (iv) modify the terms of grants made under the Plan, (v) interpret the Plan and grants made thereunder, (vi) make any adjustments

necessary or desirable in connection with grants made under the Plan to eligible participants located outside the United States and (vii) adopt, amend, or rescind such rules and regulations, and make such other determinations, for carrying out the Plan as it may deem appropriate. Decisions of the Committee on all matters relating to the Plan shall be in the Committee's sole discretion and shall be conclusive and binding on all parties. The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan shall be determined in accordance with applicable federal and state laws and rules and regulations promulgated pursuant thereto. No member of the Committee and no officer of the Company shall be liable for any action taken or omitted to be taken by such member, by any other member of the Committee or by any officer of the Company in connection with the performance of duties under the Plan, except for such person's own willful misconduct or as expressly provided by statute.

The expenses of the Plan shall be borne by the Company. The Plan shall not be required to establish any special or separate fund or make any other segregation of assets to assume the payment of any award under the Plan, and rights to the payment of such awards shall be no greater than the rights of the Company's general creditors.

4. *Shares Available for the Plan; Limit on Awards*.

Subject to adjustments as provided in Section 19, the number of Shares that may be issued pursuant to the Plan as awards shall not exceed in the aggregate 4,550,000. Such Shares may be in whole or in part authorized and unissued or held by the Company as treasury shares. If any grant under the Plan expires or terminates unexercised, becomes unexercisable or is forfeited as to any Shares, or is tendered or withheld as to any Shares in payment of the exercise price of the grant or the taxes payable with respect to the exercise, then such unpurchased, forfeited, tendered or withheld Shares shall thereafter be available for further grants under the Plan unless, in the case of options granted under the Plan, related SARs are exercised.

Without limiting the generality of the foregoing provisions of this Section 4 or the generality of the provisions of Sections 3, 6 or 21 or any other section of this Plan, the Committee may, at any time or from time to time, and on such terms and conditions (that are consistent with and not in contravention of the other provisions of this Plan) as the Committee may, in its sole discretion, determine, enter into agreements (or take other actions with respect to the options) for new options containing terms (including exercise prices) more (or less) favorable than the outstanding options.

Subject to adjustment as provided in Section 19, the maximum number of Shares with respect to which (i) Incentive Stock Options, Non-Qualified Stock Options and SARs, (ii) Performance Awards that vest only if the Participant achieves Performance Goals established by the Committee in accordance with Section 162(m) of the Code or (iii) any combination of (i) and (ii), may be granted during any calendar year to any participant shall be 750,000 Shares.

5. *Participation*.

Participation in the Plan shall be limited to those directors (including Non-Employee Directors), officers (including non-employee officers) and employees of, and other individuals performing services for, or to whom an offer of employment has been extended by, the Company and its Subsidiaries selected by the Committee (including participants located outside the United States). Nothing in the Plan or in any grant thereunder shall confer any right on a participant to continue in the employ as a director or officer of or in the performance of services for the Company or shall interfere in any way with the right of the Company to terminate the employment or performance of services or to reduce the compensation or responsibilities of a participant at any time. By accepting any award under the Plan, each participant and each person claiming under or through him or her shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee.

Incentive Stock Options or Non-qualified Stock Options, SARs alone or in tandem with options, restricted stock awards, performance awards, or any combination thereof, may be granted to such persons and for such number of Shares as the Committee shall determine (such individuals to whom grants are made being sometimes herein called "optionees" or "grantees," as the case may be). Determinations made by the Committee under the Plan need not be uniform and may be made selectively among eligible individuals under the Plan, whether or not such individuals are similarly situated. A grant of any type made hereunder in any one year to an eligible participant shall neither guarantee nor preclude a further grant of that or any other type to such participant in that year or subsequent years.

6. *Incentive and Non-qualified Options and SARs.*

The Committee may from time to time grant to eligible participants Incentive Stock Options, Non-qualified Stock Options, or any combination thereof; provided that the Committee may grant Incentive Stock Options only to eligible employees of the Company or its subsidiaries (as defined for this purpose in Section 424(f) of the Code or any successor thereto). The options granted shall take such form as the Committee shall determine, subject to the following terms and conditions.

It is the Company's intent that Non-qualified Stock Options granted under the Plan not be classified as Incentive Stock Options, that Incentive Stock Options be consistent with and contain or be deemed to contain all provisions required under Section 422 of the Code and any successor thereto, and that any ambiguities in construction be interpreted in order to effectuate such intent. If an Incentive Stock Option granted under the Plan does not qualify as such for any reason, then to the extent of such non-qualification, the stock option represented thereby shall be regarded as a Non-qualified Stock Option duly granted under the Plan, provided that such stock option otherwise meets the Plan's requirements for Non-qualified Stock Options.

(a) *Price*. The price per Share deliverable upon the exercise of each option ("exercise price") shall be established by the Committee, except that in the case of the grant of any Option, the exercise price may not be less than 100% of the Fair Market Value of a share of Common Stock as of the date of grant of the option, and in the case of the grant of any Incentive Stock Option to an employee who, at the time of the grant, owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries, the exercise price may not be less than 110% of the Fair Market Value of a share of Common Stock as of the date of grant of the option, in each case unless otherwise permitted by Section 422 of the Code or any successor thereto.

(b) *Payment*. Options may be exercised, in whole or in part, upon payment of the exercise price of the Shares to be acquired. Unless otherwise determined by the Committee, payment shall be made (i) in cash (including check, bank draft, money order or wire transfer of immediately available funds), (ii) by delivery of outstanding shares of Common Stock with a Fair Market Value on the date of exercise equal to the aggregate exercise price payable with respect to the options' exercise, (iii) by simultaneous sale through a broker reasonably acceptable to the Committee of Shares acquired on exercise, as permitted under Regulation T of the Federal Reserve Board, (iv) by authorizing the Company to withhold from issuance a number of Shares issuable upon exercise of the options which, when multiplied by the Fair Market Value of a share of Common Stock on the date of exercise, is equal to the aggregate exercise price payable with respect to the options so exercised or (v) by any combination of the foregoing.

In the event a grantee elects to pay the exercise price payable with respect to an option pursuant to clause (ii) above, (A) only a whole number of share(s) of Common Stock (and not fractional shares of Common Stock) may be tendered in payment, (B) such grantee must present evidence acceptable to the Company that he or she has owned any such shares of Common Stock tendered in payment of the exercise price (and that such tendered shares of Common Stock have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise, and (C) Common Stock must be delivered to the Company. Delivery for this purpose may, at the election of the grantee, be made either by (A) physical delivery of the certificate(s) for all such shares of Common Stock tendered in payment of the price, accompanied by duly executed instruments of transfer in a

form acceptable to the Company, or (B) direction to the grantee's broker to transfer, by book entry, such shares of Common Stock from a brokerage account of the grantee to a brokerage account specified by the Company. When payment of the exercise price is made by delivery of Common Stock, the difference, if any, between the aggregate exercise price payable with respect to the option being exercised and the Fair Market Value of the shares of Common Stock tendered in payment (plus any applicable taxes) shall be paid in cash. No grantee may tender shares of Common Stock having a Fair Market Value exceeding the aggregate exercise price payable with respect to the option being exercised (plus any applicable taxes).

In the event a grantee elects to pay the exercise price payable with respect to an option pursuant to clause (iv) above, (A) only a whole number of Share(s) (and not fractional Shares) may be withheld in payment and (B) such grantee must present evidence acceptable to the Company that he or she has owned a number of shares of Common Stock at least equal to the number of Shares to be withheld in payment of the exercise price (and that such owned shares of Common Stock have not been subject to any substantial risk of forfeiture) for at least six months prior to the date of exercise. When payment of the exercise price is made by withholding of Shares, the difference, if any, between the aggregate exercise price payable with respect to the option being exercised and the Fair Market Value of the Shares withheld in payment (plus any applicable taxes) shall be paid in cash. No grantee may authorize the withholding of Shares having a Fair Market Value exceeding the aggregate exercise price payable with respect to the option being exercised (plus any applicable taxes). Any withheld Shares shall no longer be issuable under such option (except pursuant to any Reload Option (as defined below) with respect to any such withheld Shares).

(c) *Terms of Options*. The term during which each option may be exercised shall be determined by the Committee, but if required by the Code and except as otherwise provided herein, no option shall be exercisable in whole or in part more than ten years from the date it is granted, and no Incentive Stock Option granted to an employee who at the time of the grant owns more than 10% of the total combined voting power of all classes of stock of the Company or any of its Subsidiaries shall be exercisable more than five years from the date it is granted. All rights to purchase Shares pursuant to an option shall, unless sooner terminated, expire at the date designated by the Committee. The Committee shall determine the date on which each option shall become exercisable and may provide that an option shall become exercisable in installments. The Shares constituting each installment may be purchased in whole or in part at any time after such installment becomes exercisable, subject to such minimum exercise requirements as may be designated by the Committee. Prior to the exercise of an option and delivery of the Shares represented thereby, the optionee shall have no rights as a stockholder with respect to any Shares covered by such outstanding option (including any dividend or voting rights).

(d) *Limitations on Grants*. If required by the Code, the aggregate Fair Market Value (determined as of the grant date) of Shares for which an Incentive Stock Option is exercisable for the first time during any calendar year under all equity incentive plans of the Company and its Subsidiaries (as defined in Section 422 of the Code or any successor thereto) may not exceed $100,000.

(e) *Termination*.

(i) *Death or Disability*. Except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to perform other services for, the Company and any Subsidiary due to death or Disability, all of the participant's options and SARs that were exercisable on the date of such cessation shall remain so for a period of 180 days from the date of such death or Disability, but in no event after the expiration date of the options or SARs; provided that the participant does not engage in Competition during such 180-day period unless he or she received written consent to do so from the Board or the Committee. Notwithstanding the foregoing, if the Disability giving rise to the termination of employment is not within the meaning of Section 22(e)(3) of the Code or any successor thereto, Incentive Stock Options not exercised by such participant within 90 days after the date of termination of employment will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

(ii) *Retirement*. Except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to perform other services for, the Company and any Subsidiary upon the occurrence of his or her Retirement, (A) all of the participant's options and SARs that were exercisable on the date of Retirement shall remain exercisable for, and shall otherwise terminate at the end of, a period of 90 days after the date of Retirement, but in no event after the expiration date of the options or SARs; provided that the participant does not engage in Competition during such 90-day period unless he or she receives written consent to do so from the Board or the Committee, and (B) all of the participant's options and SARs that were not exercisable on the date of Retirement shall be forfeited immediately upon such Retirement; provided, however, that such options and SARs may become fully vested and exercisable in the discretion of the Committee. Notwithstanding the foregoing, Incentive Stock Options not exercised by such participant within 90 days after Retirement will cease to qualify as Incentive Stock Options and will be treated as Non-qualified Stock Options under the Plan if required to be so treated under the Code.

(iii) *Discharge for Cause*. Except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to perform other services for, the Company or a Subsidiary due to Cause, or if a participant does not become a director, officer or employee of, or does not begin performing other services for, the Company or a Subsidiary for any reason, all of the participant's options and SARs shall expire and be forfeited immediately upon such cessation or non-commencement, whether or not then exercisable.

(iv) *Other Termination*. Except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for, the Company or a Subsidiary for any reason other than death, Disability, Retirement or Cause, (A) all of the participant's options and SARs that were exercisable on the date of such cessation shall remain exercisable for, and shall otherwise terminate at the end of, a period of 90 days after the date of such cessation, but in no event after the expiration date of the options or SARs; provided that the participant does not engage in Competition during such 90-day period unless he or she receives written consent to do so from the Board or the Committee, and (B) all of the participant's options and SARs that were not exercisable on the date of such cessation shall be forfeited immediately upon such cessation.

(f) *Grant of Reload Options*. The Committee may provide (either at the time of grant or exercise of an option), in its discretion, for the grant to a grantee who exercises all or any portion of an option ("Exercised Options") and who pays all or part of such exercise price with shares of Common Stock, of an additional option (a "Reload Option") for a number of shares of Common Stock equal to the sum (the "Reload Number") of the number of shares of Common Stock tendered or withheld in payment of such exercise price for the Exercised Options plus, if so provided by the Committee, the number of shares of Common Stock, if any, tendered or withheld by the grantee or withheld by the Company in connection with the exercise of the Exercised Options to satisfy any federal, state or local tax withholding requirements, provided, however, that the Committee may not provide for the grant of any Reload Option that would be treated as providing for a deferral of compensation pursuant to Code § 409A. Except to the extent required for a Reload Option to be treated as not providing for a deferral of compensation pursuant to Code § 409A, the terms of each Reload Option, including the date of its expiration and the terms and conditions of its exercisability and transferability, shall be the same as the terms of the Exercised Option to which it relates, except that (i) the grant date for each Reload Option shall be the date of exercise of the Exercised Option to which it relates and (ii) the exercise price for each Reload Option shall be the Fair Market Value of the Common Stock on the grant date of the Reload Option.

(g) *Options Exercisable for Restricted Stock*. The Committee shall have the discretion to grant options which are exercisable for Shares of restricted stock. Should the participant cease to be a director, officer or employee of, or to perform other services for, the Company or any Subsidiary while holding such Shares of restricted stock, the Company shall have the right to repurchase, at the exercise price paid per share, any or all of those Shares of restricted stock. The terms upon which such repurchase right shall be exercisable (including the period and procedure for exercise and the appropriate vesting schedule for the purchased shares) shall be established by the Committee and set forth in the document evidencing such repurchase right.

7. *Stock Appreciation Rights*.

The Committee shall have the authority to grant SARs under this Plan, either alone or to any optionee in tandem with options (either at the time of grant of the related option or thereafter by amendment to an outstanding option). SARs shall be subject to such terms and conditions as the Committee may specify, but no SAR shall be exercisable in whole or in part more than ten years from the date it is granted. The exercise price of each SAR shall be established by the Committee and shall not be less than 100% of the Fair Market Value of a share of Common Stock as of the date of grant of the SAR.

No SAR may be exercised unless the Fair Market Value of a share of Common Stock of the Company on the date of exercise exceeds the exercise price of the SAR or, in the case of SARs granted in tandem with options, any options to which the SARs correspond. Prior to the exercise of the SAR and delivery of the cash and/or Shares represented thereby, the participant shall have no rights as a stockholder with respect to Shares covered by such outstanding SAR (including any dividend or voting rights).

SARs granted in tandem with options shall be exercisable only when, to the extent and on the conditions that any related option is exercisable. The exercise of an option shall result in an immediate forfeiture of any related SAR to the extent the option is exercised, and the exercise of an SAR shall cause an immediate forfeiture of any related option to the extent the SAR is exercised.

Upon the exercise of an SAR, the participant shall be entitled to a distribution in an amount equal to the difference between the Fair Market Value of a share of Common Stock on the date of exercise and the exercise price of the SAR or, in the case of SARs granted in tandem with options, any option to which the SAR is related, multiplied by the number of Shares as to which the SAR is exercised. The Committee shall decide whether such distribution shall be in cash, in Shares having a Fair Market Value equal to such amount, in Other Company Securities having a Fair Market Value equal to such amount or in a combination thereof.

All SARs will be exercised automatically on the last day prior to the expiration date of the SAR or, in the case of SARs granted in tandem with options, any related option, so long as the Fair Market Value of a share of Common Stock on that date exceeds the exercise price of the SAR or any related option, as applicable. An SAR granted in tandem with options shall expire at the same time as any related option expires and shall be transferable only when, and under the same conditions as, any related option is transferable.

8. *Restricted Stock*.

The Committee may at any time and from time to time grant Shares of restricted stock under the Plan to such participants and in such amounts as it determines. Each grant of restricted stock shall specify the applicable restrictions on such Shares, the duration of such restrictions (which shall be at least six months except as otherwise determined by the Committee or provided in the third paragraph of this Section 8), and the time or times at which such restrictions shall lapse with respect to all or a specified number of Shares that are part of the grant.

The participant will be required to pay the Company the aggregate par value of any Shares of restricted stock (or such larger amount as the Board may determine to constitute capital under Section 154 of the Delaware General Corporation Law, as amended, or any successor thereto) within ten days of the date of grant, unless such Shares of restricted stock are treasury shares. Unless otherwise determined by the Committee, certificates representing Shares of restricted stock granted under the Plan will be held in escrow by the Company on the participant's behalf during any period of restriction thereon and will bear an appropriate legend specifying the applicable restrictions thereon, and the participant will be required to execute a blank stock power therefor. Except as otherwise provided by the Committee, during such period of restriction the participant shall have all of the rights of a holder of Common Stock, including but not limited to the rights to receive dividends and to vote, and any stock or other securities received as a distribution with respect to such participant's restricted stock shall be subject to the same restrictions as then in effect for the restricted stock.

At such time as a participant ceases to be a director, officer, or employee of, or to otherwise perform services for, the Company and its Subsidiaries due to death, Disability or Retirement during any period of restriction, all restrictions on Shares granted to such participant shall lapse. At such time as a participant ceases to be, or in the event a participant does not become, a director, officer or employee of, or otherwise performing services for, the Company or its Subsidiaries for any other reason, all Shares of restricted stock granted to such participant on which the restrictions have not lapsed shall be immediately forfeited to the Company.

9. *Deferred Shares*.

The Committee is authorized to grant deferred Shares to participants, which are rights to receive Shares, cash, or a combination thereof at the end of a specified deferral period, subject to terms and conditions as the Committee may specify, but only to the extent that such grant of deferred Shares are treated as not providing for a deferral of compensation pursuant to Code § 409A.

Except as would cause a grant of deferred Shares to be treated as providing for a deferral of compensation pursuant to Code § 409A, satisfaction of an award of deferred Shares shall occur upon expiration of the deferral period specified for such deferred Shares by the Committee (or, if permitted by the Committee, as elected by the participant), and deferred Shares shall be subject to such restrictions (which may include a risk of forfeiture) as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times (including based on achievement of Performance Goals and/or future service requirements), separately or in combination, in installments or otherwise, as the Committee may determine. Deferred Share awards may be satisfied by delivery of Stock, cash equal to the Fair Market Value of the specified number of Shares covered by the deferred Share award, or a combination thereof, as determined by the Committee at the date of grant or thereafter. Prior to satisfaction of an award of deferred Shares, an award of deferred shares carries no voting or dividend or other rights associated with share ownership.

Except as otherwise determined by the Committee, if a participant ceases to be a director, officer or employee of, or to perform other services for, the Company or any Subsidiary during the applicable deferral period thereof to which forfeiture conditions apply (as provided in the award agreement evidencing the deferred Shares), the participant's deferred Shares that are at that time subject to deferral (other than a deferral at the election of the participant) shall be forfeited; provided that the Committee may provide, by rule or regulation or in any award agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to deferred Shares shall be waived in whole or in part in the event of terminations resulting from specified causes, and the Committee may in other cases waive in whole or in part the forfeiture of deferred Shares.

10. *Dividend Equivalents*.

The Committee is authorized to grant dividend equivalents to a participant entitling the participant to receive cash, Shares, other awards, or other property equal in value to dividends paid with respect to a specified number of shares of Common Stock of the Company, or other periodic payments, but only to the extent that such grant of dividend equivalents are treated as not providing for a deferral of compensation pursuant to Code § 409A. Dividend equivalents may be awarded on a free-standing basis or in connection with another award. The Committee may provide that dividend equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional shares of Common Stock of the Company, awards, or other investment vehicles, and subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify.

11. *Other Stock-Based Awards*.

The Committee is authorized, subject to limitations under applicable law and the requirements of Code § 409A, to grant to participants such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of Common Stock of the Company, as deemed

by the Committee to be consistent with the purposes of the Plan, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, purchase rights for Shares, awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee, and awards valued by reference to the book value of Shares or the value of securities of or the performance of specified Subsidiaries. The Committee shall determine the terms and conditions of such awards. Shares delivered pursuant to an award in the nature of a purchase right granted under this Section 11 shall be purchased for such consideration (including without limitation loans from the Company or a Subsidiary to the extent permissible under the Sarbanes Oxley Act of 2002 and other applicable law), paid for at such times, by such methods, and in such forms, including, without limitation, cash, Shares, other awards or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other award under the Plan, may also be granted pursuant to this Section 11.

12. *Performance Awards*.

The Committee is authorized to make Performance Awards payable in cash, Shares, or other awards, on terms and conditions established by the Committee, subject to the provisions of this Section 12, but only to the extent that such grant of Performance Awards are treated as not providing for a deferral of compensation pursuant to Code § 409A.

The Performance Goals for such Performance Awards shall consist of one or more business criteria and a targeted level or levels of performance with respect to each of such criteria, or such other personal or business goals and objectives, as the Committee shall determine. Such Performance Goals are to be specified in the relevant award agreement and may be based on such factors including, but not limited to: (a) revenue, (b) earnings per Share, (c) net income per Share, (d) Share price, (e) pre-tax profits, (f) net earnings, (g) net income, (h) operating income, (i) cash flow, (j) earnings before interest, taxes, depreciation and amortization, (k) sales, (l) total stockholder return relative to assets, (m) total stockholder return relative to peers, (n) financial returns (including, without limitation, return on assets, return on equity and return on investment), (o) cost reduction targets, (p) customer satisfaction, (q) customer growth, (r) employee satisfaction, (s) gross margin, (t) revenue growth, or (u) any combination of the foregoing, or such other criteria as the Committee may determine. Performance Goals may be in respect of the performance of the Company, any of its Subsidiaries or affiliates or any combination thereof on either a consolidated, business unit or divisional level. Performance Goals may be absolute or relative (to prior performance of the Company or to the performance of one or more other entities or external indices) and may be expressed in terms of a progression within a specified range. Performance Goals may differ for Performance Awards granted to any one participant or to different participants.

Achievement of Performance Goals in respect of such Performance Awards shall be measured over any performance period determined by the Committee. During the performance period, the Committee shall have the authority to adjust the Performance Goals and objectives for such performance period for such reasons as it deems equitable.

The Committee may establish a Performance Award pool, which shall be an unfunded pool, for purposes of measuring Company performance in connection with Performance Awards. The amount of such Performance Award pool shall be based upon the achievement of a Performance Goal or goals during the given performance period, as specified by the Committee. The Committee may specify the amount of the Performance Award pool as a percentage of any of such business criteria, a percentage thereof in excess of a threshold amount, or as another amount which need not bear a strictly mathematical relationship to such business criteria.

Settlement of Performance Awards shall be in cash, Shares, other awards or other property, in the discretion of the Committee. The Committee may, in its discretion, reduce the amount of a settlement otherwise to be made in connection with such Performance Awards. The Committee shall specify the circumstances in which such Performance Awards shall be paid or forfeited in the event of termination of the participant's employment or service prior to the end of a performance period or settlement of Performance Awards.

13. *Change in Control*.

Unless otherwise determined by the Committee or as would cause any grant or award to be treated as a deferral of compensation pursuant to Code § 409A, if there is a Change in Control of the Company and a participant's employment or service as a director, officer, or employee of the Company or a Subsidiary, is terminated (1) by the Company without Cause, (2) by reason of the participant's death, Disability, or Retirement, or (3) by the participant for Good Reason, within twelve months after such Change in Control:

(i) any award carrying a right to exercise that was not previously vested and exercisable as of the time of the Change in Control, shall become immediately vested and exercisable, and shall remain so for up to 180 days after the date of termination (but in no event after the expiration date of the award), subject to applicable restrictions;

(ii) any restrictions, deferral of settlement, and forfeiture conditions applicable to any other award granted under the Plan shall lapse and such awards shall be deemed fully vested as of the time of the Change in Control, except to the extent of any waiver by the participant, and subject to applicable restrictions; and

(iii) with respect to any outstanding Performance Award, the Committee may, within its discretion, deem the Performance Goals and other conditions relating to the Performance Award as having been met as of the date of the Change in Control.

Notwithstanding the foregoing, or any other provision of this Plan to the contrary, in connection with any transaction of the type specified by clause (iii) of the definition of a Change in Control in Section 2(c), the Committee may, in its discretion, (i) cancel any or all outstanding options under the Plan in consideration for payment to the holders thereof of an amount equal to the portion of the consideration that would have been payable to such holders pursuant to such transaction if their options had been fully exercised immediately prior to such transaction, less the aggregate exercise price that would have been payable therefor, or (ii) if the amount that would have been payable to the option holders pursuant to such transaction if their options had been fully exercised immediately prior thereto would be equal to or less than the aggregate exercise price that would have been payable therefor, cancel any or all such options for no consideration or payment of any kind. Payment of any amount payable pursuant to the preceding sentence may be made in cash or, in the event that the consideration to be received in such transaction includes securities or other property, in cash and/or securities or other property in the Committee's discretion.

14. *Withholding Taxes*.

(a) *Participant Election*. Unless otherwise determined by the Committee, a participant may elect to deliver shares of Common Stock (or have the Company withhold shares acquired upon exercise of an option or SAR or deliverable upon grant or vesting of restricted stock, as the case may be) to satisfy, in whole or in part, the amount the Company is required to withhold for taxes in connection with the exercise of an option or SAR or the delivery of restricted stock upon grant or vesting, as the case may be. Such election must be made on or before the date the amount of tax to be withheld is determined. Once made, the election shall be irrevocable. The fair market value of the shares to be withheld or delivered will be the Fair Market Value as of the date the amount of tax to be withheld is determined. In the event a participant elects to deliver or have the Company withhold shares of Common Stock pursuant to this Section 14(a), such delivery or withholding must be made subject to the conditions and pursuant to the procedures set forth in Section 6(b) with respect to the delivery or withholding of Common Stock in payment of the exercise price of options.

(b) *Company Requirement*. The Company may require, as a condition to any grant or exercise under the Plan or to the delivery of certificates for Shares issued hereunder, that the grantee make provision for the payment to the Company, either pursuant to Section 14(a) or this Section 14(b), of federal, state or local taxes of any kind required by law to be withheld with respect to any grant or delivery of Shares. The Company, to the extent permitted or required by law, shall have the right to deduct from any payment of any kind (including salary or bonus) otherwise due to a grantee, an amount equal to any federal, state or local taxes of any kind required by law to be withheld with respect to any grant or delivery of Shares under the Plan.

15. *Written Agreement; Vesting*.

Each employee to whom a grant is made under the Plan shall enter into a written agreement with the Company that shall contain such provisions, including without limitation vesting requirements, consistent with the provisions of the Plan, as may be approved by the Committee. Unless the Committee determines otherwise and except as otherwise provided in Sections 6, 7, and 8 in connection with a Change in Control or certain occurrences of termination, no grant under this Plan may be exercised, and no restrictions relating thereto may lapse, within six months of the date such grant is made.

16. *Transferability*.

Unless the Committee determines otherwise, no option, SAR, performance award or restricted stock granted under the Plan shall be transferable by a participant other than by will or the laws of descent and distribution or to a participant's Family Member by gift or a qualified domestic relations order as defined by the Code. Unless the Committee determines otherwise, an option, SAR or performance award may be exercised only by the optionee or grantee thereof; by his or her Family Member if such person has acquired the option, SAR or performance award by gift or qualified domestic relations order; by the executor or administrator of the estate of any of the foregoing or any person to whom the Option is transferred by will or the laws of descent and distribution; or by the guardian or legal representative of any of the foregoing; provided that Incentive Stock Options may be exercised by any Family Member, guardian or legal representative only if permitted by the Code and any regulations thereunder. All provisions of this Plan shall in any event continue to apply to any option, SAR, performance award or restricted stock granted under the Plan and transferred as permitted by this Section 16, and any transferee of any such option, SAR, performance award or restricted stock shall be bound by all provisions of this Plan as and to the same extent as the applicable original grantee.

17. *Listing, Registration and Qualification.*

If the Committee determines that the listing, registration or qualification upon any securities exchange or under any law of Shares subject to any option, SAR, performance award or restricted stock grant is necessary or desirable as a condition of, or in connection with, the granting of same or the issue or purchase of Shares thereunder, no such option or SAR may be exercised in whole or in part, no such performance award may be paid out, and no Shares may be issued, unless such listing, registration or qualification is effected free of any conditions not acceptable to the Committee.

18. *Transfers Between Company and Subsidiaries.*

The transfer of an employee, consultant or independent contractor from the Company to a Subsidiary, from a Subsidiary to the Company, or from one Subsidiary to another shall not be considered a termination of employment or services; nor shall it be considered a termination of employment if an employee is placed on military or sick leave or such other leave of absence which is considered by the Committee as continuing intact the employment relationship.

19. *Adjustments.*

In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, distribution of assets, or any other change in the corporate structure or shares of the Company, the Committee shall make such adjustment as it deems appropriate in the number and kind of Shares or other property available for issuance under the Plan (including, without limitation, the total number of Shares available for issuance under the Plan pursuant to Section 4), in the number and kind of options, SARs, Shares or other property covered by grants previously made under the Plan, and in the exercise price of outstanding options and SARs. Any such adjustment shall be final, conclusive and binding for all purposes of the Plan. In the event of any merger, consolidation or other reorganization in which the Company is not the surviving or continuing corporation or in

which a Change in Control is to occur, all of the Company's obligations regarding options, SARs, performance awards, and restricted stock that were granted hereunder and that are outstanding on the date of such event shall, on such terms as may be approved by the Committee prior to such event, be assumed by the surviving or continuing corporation or canceled in exchange for property (including cash), but only to the extent that such assumption or cancellation is not treated as providing for a deferral of compensation pursuant to Code § 409A.

20. *Amendment and Termination of the Plan.*

The Board of Directors or the Committee, without approval of the stockholders, may amend or terminate the Plan, except that no amendment shall become effective without prior approval of the stockholders of the Company if stockholder approval would be required by applicable law or regulations, including if required for continued compliance with the performance-based compensation exception of Section 162(m) of the Code or any successor thereto, under the provisions of Section 422 of the Code or any successor thereto, or by any listing requirement of the principal stock exchange on which the Common Stock is then listed.

21. *Amendment or Substitution of Awards under the Plan.*

The terms of any outstanding award under the Plan may be amended from time to time by the Committee in its discretion in any manner that it deems appropriate (including, but not limited to, any reduction in the exercise price of any options or SARs awarded under the Plan or any acceleration of the date of exercise of any award and/or payments thereunder or of the date of lapse of restrictions on Shares); provided that, except as otherwise provided in Section 16, no such amendment shall adversely affect in a material manner any right of a participant under the award without his or her written consent. The Committee may, in its discretion, permit holders of awards under the Plan to surrender outstanding awards in order to exercise or realize rights under other awards, or in exchange for the grant of new awards, or require holders of awards to surrender outstanding awards as a condition precedent to the grant of new awards under the Plan. Further, (i) in the case of any option, SAR or other grant that immediately prior to the proposed amendment or substitution was not treated as providing for a deferral of compensation pursuant to Code § 409A, no amendment or substitution shall cause such option, SAR or other grant to be treated as providing for such a deferral of compensation and (ii) in the case of any grant that immediately prior to the proposed amendment or substitution prompting the adjustment was treated as providing for a deferral of compensation that complies with the requirements of Code § 409A, no amendment or substitution shall cause the deferral of compensation pursuant to such grant to fail to comply with the requirements of Code § 409A.

22. *Other Tax Matters.*

If payment or provision of any amount or benefit hereunder at the time specified in this Plan would subject such amount or benefit to any additional tax under Section 409A of the Code, the payment or provision of such amount or benefit shall be postponed to the earliest commencement date on which the payment or the provision of such amount or benefit could be made without incurring such additional tax. Without limiting the generality of the immediately preceding sentence, if payment or provision of any amount or benefit hereunder at the time specified in this Plan would fail to comply with the provisions of Section 409A of the Code because a Participant are treated as a "specified" employee (within the meaning of Section 409A(a)(2)(B)(i) of the Code), then such amount or benefit shall not be paid or provided at the time otherwise specified in this Agreement, but instead shall be paid or provided on the date that is six months after the date of separation from service (or, if earlier, the date of Participant's death).

Notwithstanding anything in Sections 19, 20 and 21 to the contrary, (i) in the case of any option, SAR or other grant that immediately prior to the event prompting the adjustment was not treated as providing for a deferral of compensation pursuant to Code § 409A, no adjustment, amendment or termination shall cause such option, SAR or other grant to be treated as providing for such a deferral of compensation and (ii) in the case of

any grant that immediately prior to the event prompting the adjustment was treated as providing for a deferral of compensation that complies with the requirements of Code § 409A, no adjustment, amendment or termination shall cause the deferral of compensation pursuant to such grant to fail to comply with the requirements of Code § 409A.

All grants made under this Plan are intended to avoid the inclusion of amounts with respect to any grants as deferred compensation of any Participant under Code § 409A. However, neither the Company nor any of its Affiliates makes or shall make any representations or warranties with respect to the application of Code § 409A to the grants, and by the acceptance of any grant, each Participant agrees to accept the potential application of Code § 409A to the grant and any other tax consequences of the issuance, vesting, ownership, exercise, modification, adjustment and disposition of the grant and agrees that the Company and its Affiliates will have no liability to the Participant with respect thereto.

23. *Commencement Date; Termination Date.*

The date of commencement of the Plan shall be December 6, 2006, subject to approval by the stockholders of the Company. If required by the Code, the Plan will also be subject to reapproval by the stockholders of the Company prior to the fifth anniversary of such commencement date.

Unless previously terminated upon the adoption of a resolution of the Board terminating the Plan, the Plan shall terminate at the close of business on the tenth anniversary of the date of commencement. No termination of the Plan shall materially and adversely affect any of the rights or obligations of any person, without his or her written consent, under any grant of options or other incentives theretofore granted under the Plan.

24. *Severability.*

Whenever possible, each provision of the Plan shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Plan is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of the Plan.

25. *Governing Law.*

The Plan shall be governed by the corporate laws of the State of Delaware, without giving effect to any choice of law provisions that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

Exhibit 10.30

SIRONA DENTAL SYSTEMS, INC.
2015 LONG-TERM INCENTIVE PLAN

ARTICLE 1
GENERAL

1.1 Purpose. The purpose of the Plan is to enable the Company to provide equity-based and other incentive compensation opportunities in order to facilitate the ability of the Company to attract, motivate, reward and/or retain qualified employees, directors and other service providers who are or are expected to be important to the success of the Company and its Subsidiaries.

1.2 Eligibility. Awards may be granted under the Plan to any present or future non-employee director, officer or employee of, and any consultant or adviser to, the Company or any of its Subsidiaries, provided that Incentive Stock Options may be granted only to employees of the Company or a Subsidiary.

1.3 Types of Awards. Awards under the Plan may include, without limitation, Options, Stock Appreciation Rights, shares of Restricted Stock, Restricted Stock Units, and other Share-based Awards and performance-based Cash Incentive Awards, all as described in Articles 5 through 7 hereof.

ARTICLE 2
DEFINITIONS

2.1 "Award" means an award made to an eligible service provider under the Plan.

2.2 "Award Agreement" means a written or electronic agreement between the Company and a Participant setting forth the terms and conditions of an Award.

2.3 "Board" means the Board of Directors of the Company.

2.4 "Cause" means, with respect to any Participant and unless otherwise specified in a Participant's Award Agreement, (a) if there is an employment or other services agreement between the Participant and the Company or a Subsidiary that defines the term "cause" (or a term of like import), the Participant's engaging in conduct that constitutes "cause" (or a term of like import) within the meaning of that agreement, or (b) if there is no employment or service agreement between the Participant and the Company or a Subsidiary that defines the term "cause" (or a term of like import), (1) the Participant's repeated failure (other than temporarily while physically or mentally incapacitated) or refusal to perform the duties of his or her employment or other service if such failure or refusal shall not have ceased or been remedied within fifteen days following written warning from the Company or a Subsidiary; (2) the Participant's conviction of or plea of no contest to a felony; (3) the Participant's breach of a fiduciary trust (including, without limitation, misappropriation of funds, material misrepresentation (other than as a result of a good faith mistake) of the Company's financial performance, operating results or financial condition to the Board or any officer, use of the Company's or a Subsidiary's assets to pursue other interests, or diversion of any business opportunity belonging to the Company or a Subsidiary to or for the benefit of the Participant or a third party); (4) material unauthorized disclosure by the Participant to any person of any confidential information or trade secrets of the Company or any of its Subsidiaries; (5) the Participant's engaging in conduct or activities materially damaging to the property, business or reputation of the Company or a Subsidiary or to the ability of the Participant to perform the duties of his or her employment or other services; (6) any act or omission by the Participant involving gross malfeasance or gross negligence in the performance of the Participant's duties to the material detriment of the Company or a Subsidiary; or (7) the Participant's failure to comply in all material respects with the policies of the Company or a Subsidiary or with any non-competition, non-solicitation or other restrictive covenants made by the Participant to the Company or a Subsidiary; in each of such cases as determined by the Board or the Committee acting in its good faith discretion.

2.5 "Change in Control" means the occurrence of any of the following events:

(a) any "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than (i) a subsidiary of the Company, (ii) any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company) is or becomes the "beneficial owner" (as defined in Rule l3d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the combined voting power of the Company's then outstanding securities, other than an acquisition directly from the Company;

(b) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) more than 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation;

(c) there is consummated a plan of complete liquidation or dissolution of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets, in one transaction or a series of related transactions, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity more than 50% of the combined voting power of the voting

securities of which is owned by stockholders of the Company in substantially the same proportion as their ownership of the Company immediately prior to such sale; or

(d) the incumbent directors cease for any reason to constitute at least a majority of the Board. For this purpose, an incumbent director is any individual who is a member of the Board on the date the Plan was adopted, and any individual who becomes a member of the Board after the date the Plan was adopted and whose election or nomination for election to the Board was approved by a vote of at least two thirds of the incumbent directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is nominated without objection to such nomination), it being intended that no individual initially elected or nominated as a director as a result of an actual or threatened election contest or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board shall be an incumbent director.

2.6 “Code” means the Internal Revenue Code of 1986, as amended.

2.7 “Committee” means the Compensation Committee of the Board.

2.8 “Company” means Sirona Dental Systems, Inc., a Delaware corporation, and any successor thereto.

2.9 “Disability” means a Participant’s inability to engage in any substantial gainful activity by reason of a physical or mental illness or injury that is expected to result in death or to last for one year or more, as determined by a duly licensed physician designated by the Company.

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

2.11 “Exercise Price” means, with respect to an Option, the price at which a holder may purchase the Shares covered by the Option and, with respect to an SAR, the baseline price of the Shares covered by the SAR; provided that in no event may the Exercise Price per Share be less than 100% of the Fair Market Value per Share on the date the Option or SAR is granted (110% in the case of an ISO granted to a Ten Percent Stockholder).

2.12 “Fair Market Value” means, as of any relevant date, the closing price per Share on such date on the principal securities exchange on which the Shares are traded or, if no Shares are traded on that date, the closing price per Share on the next preceding date on which Shares are traded, or (2) the value determined under such other method or convention as the Committee, acting in a consistent manner in accordance with the Plan and applicable tax law, may prescribe.

2.13 “Good Reason” means actions or omissions by the Company or an affiliate resulting in a material negative change in the employment relationship with a Participant which, for the purposes hereof, means, without the advance written consent of the Participant:

the assignment to the Participant of any duties materially inconsistent with the Participant’s position, authority, duties or responsibilities as in effect immediately prior to the Change in Control, or any other material diminution in such position, authority, duties or responsibilities;

any reduction in the Participant’s annual base salary in effect immediately prior to the Change in Control;

the failure to provide the Participant with bonus opportunities at least as generous in the aggregate as those to which the Participant was entitled immediately prior to the Change in Control;

a failure by the Company to timely pay the Participant any compensation earned by the Participant;

the Company’s requiring the Participant (1) to be based at any office or location more than fifty (50) miles from the office where the Participant was employed immediately prior to the Change in Control, or (2) to travel on Company business to a materially greater extent than what was customarily required prior to the Change in Control; or

the failure or refusal by the successor or acquiring company (or parent thereof) to expressly assume the obligations of the Company under this Agreement upon the consummation of the Change in Control transaction.

Notwithstanding the foregoing, a Participant will not have “Good Reason” to terminate his or her employment merely because the Participant is no longer a senior executive of a public company and/or has a change in title, duties, authority, responsibilities or reporting structure as a result of the Change in Control transaction (including having a reporting relationship within a larger company) provided that the Participant retains a substantially similar level of responsibilities over the other portions and areas of the business for which he or she exercised responsibility prior to the Change in Control transaction.

2.14 “Incentive Cash Award” means a performance-based Award described in Section 7.2.

2.15 “Incentive Stock Option” or “ISO” means an Option that qualifies as an “incentive stock option” within the meaning of Section 422 of the Code.

2.16 “Option” means an option to purchase Shares granted pursuant to Section 5.1.

2.17 “Participant” means any person who has been selected to receive an Award under the Plan or who holds an outstanding Award under the Plan.

2.18 “Performance-Based Exemption” means the performance-based compensation exemption from the compensation deduction limitations imposed by Section 162(m) of the Code, as set forth in Section 162(m)(4)(C) of the Code.

2.19 “Performance Factors” means any of the factors listed in Section 7.3(b) that may be used for Awards intended to qualify for the Performance-Based Exemption.

2.20 “Plan” means the long-term incentive plan set forth herein, as it now exists or is hereafter amended.

2.21 “Restricted Stock” means stock issued in the name of a Participant pursuant to Section 6.1, subject to applicable transfer restrictions and vesting and other conditions.

2.22 “Restricted Stock Unit” or “RSU” means a contingent right to receive Shares in the future that is granted pursuant to Section 6.1.

2.23 “Retirement” means termination by a Participant after reaching age 65 or termination with the consent of the Company that is designated a Retirement.

2.24 “Shares” means shares of the Company’s common stock.

2.25 “Stock Appreciation Right” or “SAR” means a right to receive appreciation in the value of Shares granted pursuant to Section 5.2.

2.26 “Subsidiary” means (a) a corporation or other entity in an unbroken chain of corporations or other entities at least 50% of the total value or voting power of the equity securities of which is owned by the Company or by any other corporation or other entity in the chain, and (b) any other corporation or entity in which the Company has a 20% controlling interest, directly or indirectly, as may be designated by the Committee pursuant to the criteria set forth in Section 1.409A-1(b)(5)(iii)(E) of the Treasury regulations.

2.27 “Ten Percent Stockholder” means a person who owns or is deemed to own (under Section 424(d) of the Code) more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Subsidiary.

ARTICLE 3
ADMINISTRATION

3.1 General. Except as otherwise determined by the Board in its discretion, the Plan shall be administered by the Committee. The Committee shall be composed of at least two persons who are “outside directors” (within the meaning of Section 162(m) of the Code) with respect to Awards intended to qualify for the Performance-Based Exemption and at least two or more “non-employee directors” (as defined in the regulations promulgated under Section 16 of the Exchange Act) with respect to Awards made to a Participant who is subject to Section 16 of the Exchange Act.

3.2 Authority of the Committee. Subject to the provisions of the Plan, the Committee, acting in its discretion, may select the persons to whom Awards will be made, prescribe the terms and conditions of each Award and make amendments thereto, construe, interpret and apply the provisions of the Plan and of any Award Agreement, and make any and all determinations and take any and all other actions as it deems necessary or desirable in order to carry out the terms of the Plan or of any Award. The Committee shall have full power and authority to carry out its responsibilities and functions under the Plan. The Committee may obtain at the Company’s expense such advice, guidance and other assistance from outside compensation consultants and other professional advisers as it deems appropriate.

3.3 Delegation of Authority. Subject to the requirements of applicable law, the Committee may delegate to any person or subcommittee (who may, but need not be members of the Committee) such Plan-related administrative authority and responsibilities as it deems appropriate. Without limiting the foregoing, the Committee may delegate any of its responsibilities and authority hereunder to a subcommittee composed of one or more executive officers of the Company, and may delegate administrative duties to such other person or persons (who may but need not be officers of the Company) as the Committee deems appropriate. The Committee may not delegate its authority with respect to non-ministerial actions relating to (a) individuals who are subject to the reporting requirements of Section 16(a) of the Exchange Act or (b) Awards that are intended to qualify for the Performance-Based Exemption.

3.4 Decisions Binding. Any determination made by the Committee in the exercise of its authority with respect to the Plan or any Award shall be made in the Committee’s sole discretion, and all such determinations shall be final, conclusive and binding on all persons.

3.5 Indemnification. The Company shall indemnify and hold harmless each member of the Committee and the Board and any employee or director of the Company or any Subsidiary to whom any duty or power relating to the administration of the Plan or any Award is delegated from and against any loss, cost, liability (including any sum paid in settlement of a claim with the approval of the Board), damage and expense (including reasonable legal and other expenses incident thereto) arising out of or incurred in connection with the Plan, unless and except to the extent attributable to such person’s fraud or willful misconduct.

ARTICLE 4
SHARES SUBJECT TO THE PLAN; Individual aWARD limitS

4.1 Shares Issuable under the Plan. Subject to Section 4.3, up to 6,825,000 Shares shall be available for grant and issuance pursuant to Awards made under the Plan. The maximum number of Shares that may be issued pursuant to ISOs shall be 6,825,000. For purposes of these limitations, (a) each Share covered by and issued pursuant to a Restricted Stock, Restricted Stock Unit or other full-value Share Award shall be counted as 2.30 Shares, (b) the total number of Shares covered by a grant of SARs (and not just the number of Shares issued in settlement of such SARs) shall be deemed to have been issued under the Plan, and (c) Shares covered and/or issued pursuant to an Award will again be available for grant and issuance pursuant to subsequent Awards to the extent such Shares are (1) covered by the unexercised portion of an Option or SAR that is forfeited or otherwise terminated or canceled for any reason other than exercise, (2) covered by Restricted Stock Awards, RSU Awards or any other forms of Award that are either forfeited or repurchased by the Company at the original purchase price, or (3) subject to an Award that is settled in cash or that otherwise terminates without such Shares being issued. Shares that are used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations associated with the vesting or settlement of an Award will not be available for future grant and issuance under the Plan. Shares issued under the Plan may be either authorized and unissued Shares, or authorized and issued Shares held in the Company’s treasury, or any combination of the foregoing.

4.2 Individual Award Limitations. No more than 1,000,000 Shares may be issued pursuant to Awards granted in a single calendar year to any individual Participant other than a non-employee director, and no more than 250,000 Shares may be issued pursuant to Awards granted to any non-employee director in a single calendar year. No Participant may earn a Cash Incentive Award under Section 7.2 for any calendar year in excess of $10,000,000. For this purpose, a Cash Incentive Award is earned (if at all) for the calendar year with or within which ends the applicable performance period, even if the amount so earned is not determined or payable until after end of that performance period.

4.3 Adjustments for Capital Changes. In the event of a split-up, spin-off, stock dividend, recapitalization, consolidation of shares or similar capital change, the Board or the Committee shall make such adjustments to the number and class of shares that may be issued under the Plan pursuant to Section 4.1, the number and class of Shares that may be issued pursuant to annual Awards granted to any Participant pursuant to Section 4.2, and the number, class and/or Exercise Price of Shares subject to outstanding Awards, as the Committee, in its discretion, deems appropriate in order to prevent undue dilution or enlargement of the benefits available under the Plan or an outstanding Award, as the case may be, provided that the number of Shares subject to any Award shall always be a whole number. Any determination or adjustment made by the Board or the Committee under this Section shall be binding and conclusive on all persons.

ARTICLE 5
STOCK OPTIONS; STOCK APPRECIATION RIGHTS

5.1 Grant of Company Stock Options. The Committee may grant Options to Participants upon such vesting and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time an Option is granted or, if the holder's rights are not adversely affected, at any subsequent time, provided that Options shall have a minimum vesting period of one year from the date of grant. Each Option will be deemed NOT to be an Incentive Stock Option unless and except to the extent that, at the time the Option is granted, the Committee specifically designates such Option as an Incentive Stock Option. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Shares with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its affiliates) exceeds $100,000, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall not be treated as ISOs. If an Option is designated as an ISO and if part or all of the Option does not qualify as an ISO, then the Option or the portion of the Option that does not so qualify will nevertheless remain outstanding and will be characterized as a non-ISO.

5.2 Grant of Stock Appreciation Rights. The Committee may grant stock appreciation rights ("SARs") to Participants, either alone or in connection with the grant of an Option, upon such vesting and other terms and conditions as the Committee, acting in its discretion in accordance with the Plan, may determine, either at the time the SARs are granted or, if the holder's rights are not adversely affected, at any subsequent time, provided that SARs shall have a minimum vesting period of one year from the date of grant. Upon exercise, the holder of an SAR shall be entitled to receive cash and/or a number of whole Shares (as determined by the Committee) having a value equal to the product of *X* and *Y*, where -

X = the number of whole Shares as to which the SAR is being exercised, and

Y = the excess of (i) the Fair Market Value per Share on the date of exercise over (ii) the Exercise Price per Share covered by the SAR.

5.3 Exercise Price. The Committee shall determine the Exercise Price per Share under each Option and each SAR, provided that (a) the Exercise Price per Share shall be at least equal to the Fair Market Value per Share on the date the Option or SAR is granted; and (b) in the case of an ISO granted to a Ten Percent (10%) Stockholder, the Exercise Price per Share shall be at least equal to 110% of the Fair Market Value per Share on the date the ISO is granted.

5.4 Re-Pricing Prohibited. Options and SARs granted under the Plan may not be re-priced and may not be purchased or exchanged for cash, Shares or other property or Awards without the approval of the Company's stockholders. In no event may an Option or SAR be re-priced if such re-pricing would cause the Option or SAR to be covered by Section 409A of the Code. In addition, Options and SARs shall not be repurchased or exchanged for other Awards or cash.

5.5 Exercise Period of Options and SARs. The Committee may establish such vesting, forfeiture, expiration and other conditions as it deems appropriate (on a grant-by-grant basis) with respect to the exercisability of an Option or SAR; provided, however, that, unless sooner terminated in accordance with its terms, each Option and each SAR shall automatically expire on the tenth anniversary of the date the Option or SAR is granted (or, in the case of an ISO granted to a Ten Percent (10%) Stockholder, on the fifth anniversary of the date the ISO is granted).

5.6 Exercise of Options. A Participant may exercise an outstanding Option that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the Option that is being exercised and specifying the number of whole Shares to be purchased pursuant to such exercise, together with payment in full of the aggregate Exercise Price payable for such Shares and any applicable withholding taxes. The Exercise Price shall be payable in cash or by check or by any other means that the Committee may expressly permit, including, without limitation, (a) by the Participant's surrender of previously-owned Shares, or by the Company's withholding Shares that otherwise would be issued if the Exercise Price had been paid in cash, in each case having a Fair Market Value on the date the Option is exercised equal to the Exercise Price, (b) by payment to the Company pursuant to a broker-assisted cashless exercise program established and made available by the Company in connection with the Plan, (c) by any other method of payment that is permitted by applicable law, or (d) by any combination of the foregoing. Applicable withholding taxes shall be payable in cash or by any other method that may be permitted by the Committee in accordance with Section 11.2.

5.7 Exercise of SARs. A Participant may exercise an outstanding SAR that is vested and exercisable by transmitting to the Secretary of the Company (or another person designated by the Company for this purpose) a written notice identifying the SAR that is being exercised and specifying the number of whole Shares for which the SAR is being exercised, together with payment in full of the withholding taxes due in

connection with the exercise. The withholding tax amount shall be payable in cash or by any other method that may be permitted by the Committee in accordance with Section 11.2.

5.8 Termination of Employment or Service. Unless otherwise determined by the Committee at grant, or thereafter if no rights of the Participant are thereby reduced, the following rules apply with regard to outstanding Options and SARs held by a Participant at the time of his or her termination of employment or other service with the Company and its Subsidiaries:

(a) If the Participant's employment or service is terminated for any reason other than for Cause or the Participant's death, Disability or Retirement, then (1) any unvested Options and SARs outstanding at the time of the Participant's termination of employment or other service will thereupon be canceled and of no further force or effect, and (2) any vested Options and SARs outstanding at such time will expire and be of no further force or effect if and to the extent they are not exercised within ninety (90) days after the date of such termination of employment or other service, provided that in no event may any such vested Options and SARs be exercised after the tenth anniversary of the date they were granted.

(b) If the Participant's employment or other service is terminated on account of the Participant's death, Disability or Retirement, then (1) any unvested Options and SARs outstanding at the time of the Participant's termination of employment or other service will thereupon be canceled and of no further force or effect, and (2) any vested Options and SARs outstanding at such time will expire and be of no further force or effect if and to the extent they are not exercised within one hundred eighty (180) days after the date of such termination of employment or other service, provided that, in no event may such vested Options and SARs be exercised after the tenth anniversary of the date they were granted.

(c) If the Participant's employment or other service is terminated by the Company or a Subsidiary for Cause (or at a time when grounds for a termination for Cause exist), then, notwithstanding anything to the contrary contained herein, such outstanding Options and/or SARs (whether or not otherwise vested) shall immediately terminate and shall have no further force or effect.

5.9 Rights as a Stockholder. A Participant shall have no rights to vote or receive dividends or any other rights of a stockholder with respect to any Shares covered by an Option or SAR unless and until such Option or SAR is validly exercised and such Shares are issued to the Participant. The Company will issue such Shares promptly after the exercise of such Option or SAR (to the extent the SAR is settled in Shares) is completed.

ARTICLE 6
RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS

6.1 Grant of Restricted Stock and RSU Awards. The Committee may grant Restricted Stock Awards and/or Restricted Stock Unit Awards (RSUs) to any Participant. Under a Restricted Stock Award, the Company issues Shares to the Participant when the Award is made and the Shares are subject to such vesting and other terms and conditions as the Committee may prescribe. Under a Restricted Stock Unit Award, the Participant receives the right to receive Shares in the future if the vesting and other terms and conditions imposed by the Committee are satisfied. The vesting and other terms and conditions applicable to the Shares covered by a Restricted Stock Award or the RSUs covered by a Restricted Stock Unit Award (including, but not limited to, conditions and restrictions tied to the achievement of specified performance objectives and/or the completion of one or more specified periods of future service) will be determined by the Committee when the Award is granted and will be set forth in the applicable Award Agreement, provided that each such Award will have a vesting period of at least one year from date of grant. Except as otherwise determined, (a) Restricted Stock and RSUs that are subject to time-based vesting only must vest (if at all) over a period of at least three years from the date of grant; and (b) Restricted Stock and RSUs that are subject to performance-based vesting or earn-out conditions will not become vested (if at all) unless the Participant is in the continuous employ or service of the Company or a Subsidiary for at least one year from the date of grant.

6.2 Minimum Purchase Price for Shares. Unless the Committee, acting in accordance with applicable law, determines otherwise, the purchase price payable for Shares issued pursuant to a Restricted Stock Award or a Restricted Stock Unit Award must be at least equal to the par value of the Shares.

6.3 Restricted Shares. Shares issued pursuant to a Restricted Stock Award may be evidenced by book entries on the Company's stock transfer records pending satisfaction of the applicable vesting conditions. If a stock certificate for restricted Shares is issued, the certificate will bear an appropriate legend to reflect the nature of the conditions and restrictions applicable to the Shares. The Company may retain physical possession of any such stock certificate and may require a Participant to deliver a stock power to the Company, endorsed in blank, in order to facilitate the transfer back to the Company of restricted Shares that are forfeited. Notwithstanding the foregoing, if a Participant forfeits Shares covered by a Restricted Stock Award, the Shares that are forfeited shall automatically be cancelled on the books and records of the Company whether or not the Participant returns a certificate for such Shares or otherwise fails or refuses to execute documents or take other action requested by the Company in connection with the cancellation of the forfeited Shares. Except to the extent otherwise provided under the Plan or the Award Agreement, a Participant who holds unvested Shares pursuant to a Restricted Stock Award shall have all of the rights of a stockholder with respect to said Shares, including the right to vote the Shares and the right to receive dividends thereon, provided that, unless the Committee determines otherwise, the payment of any such dividends shall be subject to the same vesting and forfeiture conditions as the restricted Shares with respect to which such dividends were earned.

6.4 Shares Covered by RSU Awards. No Shares will be issued pursuant to an RSU Award unless and until the applicable vesting and other conditions have been satisfied. The holder of an RSU Award shall have no rights as a stockholder with respect to Shares covered by the RSUs unless and until the RSUs becomes vested and the Shares covered by the vested RSUs are issued to the Participant. The Committee may provide that a Participant who holds RSUs will be entitled to receive dividend equivalents (in the form of cash or Shares) equal to the dividends that would have been payable with respect to the Shares covered by the RSUs if such Shares were outstanding, upon such terms and subject to

such vesting and other conditions as the Committee may prescribe, including, without limitation, conditions that may be required in order to avoid the imposition of taxes and interest under Section 409A of the Code with respect to the settlement of such dividend equivalents.

6.5 Non-Transferability. No Restricted Stock Award or RSU Award, and no Shares covered by a Restricted Stock Award or RSU Award may be sold, assigned, transferred, disposed of, pledged or otherwise hypothecated other than to the Company or its designee in accordance with the terms of the Award or the Plan, and any attempt to do so shall be null and void.

6.6 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unvested Shares held pursuant to a Restricted Stock Award and unvested RSUs held under an RSU Award shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries. Notwithstanding the foregoing, if a Participant's employment or service terminates by reason of the Participant's death, Disability or Retirement, then, unless otherwise specified in the Award Agreement, unvested Shares held by the Participant pursuant to a Restricted Stock Award shall become fully vested at the time of such termination of employment or service. If unvested Shares issued pursuant to a Restricted Stock Award are forfeited, any certificate representing such Shares or book entry for such Shares will be canceled on the books and records of the Company. Such cancellation shall not affect any right a Participant may have pursuant to the terms of the forfeited Award to receive all or a portion of the purchase price (if any) paid by the Participant in connection with the issuance of the unvested Shares.

6.7 Timing Requirements for Settlement of RSUs. Unless otherwise specified in the applicable Award Agreement, RSUs shall be settled in the form of Shares or cash (as determined by the Committee) as soon as practicable after the RSUs become vested but in no event later than the 15th day of the third month following the calendar year in which the vesting of such RSUs occurs. Notwithstanding the foregoing, the original terms of an RSU Award may expressly provide that settlement of vested RSUs covered by the Award will be deferred until a later date or the occurrence of a subsequent event, provided that any such deferral provision complies with the election, distribution timing and other requirements of Section 409A of the Code.

6.8 Unrestricted Shares. A Participant who holds Shares that become vested under a Restricted Stock Award or who holds RSUs that become vested (to the extent the vested RSUs are settled in Shares) will be entitled to receive Shares (in certificated or book entry form) free and clear of the conditions and restrictions imposed by the Award Agreement and the Plan, subject, however, to the payment or satisfaction of applicable withholding taxes.

ARTICLE 7
OTHER FORMS OF AWARD

7.1 Other Share-Based Awards. Subject to applicable law, the Committee, acting in its discretion, may grant such other forms of Award denominated or payable in, valued in whole or in part by reference to, or otherwise based upon or related to, Company Shares, including, without limitation, performance share awards, performance unit awards, stock bonus Awards, dividend equivalent Awards (either alone or in conjunction with other Awards), purchase rights for Shares, and Share-based Awards designed to comply with or take advantage of applicable laws outside of the United States. Each such Share-based Award will be made upon such vesting, performance and other terms and conditions as the Committee, acting in its discretion, may determine. If and when a Share-based Award granted under this Section becomes payable, payment may be made in the form of cash, whole Shares or a combination of cash and whole Shares (as determined by the Committee), with a payment in Shares being based upon their Fair Market Value on the applicable vesting or payment date(s).

7.2 Cash Incentive Awards. The Committee may make annual and/or long-term Cash Incentive Awards pursuant to which a Participant may earn the right to receive a cash payment that is conditioned upon the achievement of specified performance goals established by the Committee and communicated to the Participant within 90 days after the beginning of the applicable performance period or before 25% of the applicable performance period has elapsed, and may contain such other terms and conditions as the Committee deems appropriate. A Cash Incentive Award earned by a Participant under the Plan will be payable in the form of a single sum cash payment at or as soon as practicable after the expiration of the applicable performance period or the satisfaction of the applicable performance vesting conditions, but in no event later than the 15th day of the third month of the year following the calendar year in which such performance period ends or such performance vesting conditions are satisfied. Notwithstanding the foregoing, the Committee may require or permit the deferred payment and/or installment payout of all or part of any such Cash Incentive Award if (and only if) the Award is exempt from Section 409A of the Code or, if not so exempt, complies with the applicable terms and conditions of Section 409A of the Code.

7.3 Termination of Service Before Vesting; Forfeiture. Unless otherwise specified in the Award Agreement or otherwise subsequently determined by the Committee, unearned and/or unvested Share-based Awards and Cash Incentive Awards granted under this Article shall be forfeited and canceled upon the termination of a Participant's employment or other service with the Company and its Subsidiaries.

ARTICLE 8
PERFORMANCE-BASED COMPENSATION EXEMPTION AWARDS

8.1 Performance-Based Exemption - General. If the Committee intends that an Award should qualify for the Performance-Based Exemption (other than Options and SARs which otherwise qualify as "performance-based compensation" for purposes of Section 162(m) of the Code), the grant, exercise, vesting, amount and/or settlement of such Award shall be contingent upon achievement of one or more pre-established, objective performance goals, which shall be prescribed in writing by the Committee not later than 90 days after the commencement of the applicable performance period and in any event before completion of 25% of such performance period in accordance with the requirements of Section 162(m). Such performance goals may be based on any one or more of the Performance Factors listed in Section 8.3 and may be expressed in absolute terms, relative to performance in prior periods and/or relative to performance of other companies or an index of other companies or on such other basis as the Committee, acting in a manner consistent with Section 162(m) of the Code, may determine. All

determinations as to the establishment of performance goals, the amount and/or the number of Shares that may be earned, the target level (and, if applicable, minimum and maximum levels) of actual achievement required as a condition of earning the Award, and the earned value of any Performance Award shall be made by the Committee and shall be recorded in writing.

8.2 Performance Factors. Any one or more of the following Performance Factors may be used by the Committee in establishing performance goals for Awards intended to qualify for the Performance-Based Exemption: (a) net earnings or net income (before or after taxes); (b) basic or diluted earnings per share (before or after taxes); (c) pre- or after-tax income (before or after allocation of corporate overhead and bonus); (d) operating income (before or after taxes); (e) revenue, net revenue, net revenue growth or product revenue growth; (f) gross profit or gross profit growth; (g) net operating profit (before or after taxes); (h) earnings, including earnings before or after taxes, interest, depreciation and/or amortization; (i) return measures (including, but not limited to, return on assets, net assets, capital, total capital, tangible capital, invested capital, equity, sales, or total stockholder return); (j) cash flow (including, but not limited to, operating cash flow, free cash flow, cash flow return on capital, cash flow return on investment, and cash flow per share (before or after dividends); (k) margins, gross or operating margins, or cash margins; (l) share price (including, but not limited to, growth measures, market capitalization and/or total stockholder return); (m) expense or cost targets; (n) objective measures of customer satisfaction; (o) working capital targets; (p) measures of economic value added, or economic value-added models or equivalent metrics; (q) inventory control; (r) net sales; (s) debt targets; (t) stockholder equity; or (u) implementation, completion or attainment of measurable objectives with respect to new store openings, acquisitions and divestitures, and recruiting and maintaining personnel.

8.3 Performance Goals. In establishing performance goals with respect to an Award intended to qualify for the Performance Exemption, the applicable Performance Factors may be determined solely by reference to the Company's performance and/or the performance of any one or more Subsidiaries, divisions, business segments or business units of the Company and its Subsidiaries, and may be based upon comparisons of any of the indicators of performance relative to other companies (or subsidiaries, divisions, business segments or business units of other companies). Subject to compliance with the Treasury regulations under Section 162(m) of the Code, the Committee may adjust performance goals as necessary or appropriate in order to account for changes in law or accounting or to reflect the impact of extraordinary or unusual items, events or circumstances which, if not taken into account, would result in windfalls or hardships that are not consistent with the intent and purposes of an Award, including without limitation (a) restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring charges, (b) an event either not directly related to the operations of the Company or not within the reasonable control of the Company's management, (c) acquisitions and divestitures, or (d) changes in generally accepted accounting principles.

8.4 Discretion. The Committee shall have the authority, in its discretion, to reduce the formula amount otherwise payable pursuant to an Award that is intended to qualify for the Performance-Based Exemption, but may not increase the amount that would otherwise be payable under any such Award.

8.5 Certification. No amount shall be paid and no Shares shall be distributed or released pursuant to an Award intended to qualify for the Performance-Based Exemption unless and until the Committee certifies in writing the extent of achievement of the applicable performance goal(s) and the corresponding amount that is earned by the Participant under such Award. For this purpose, a written certification may be in the form of approved minutes of the Committee meeting at which the certification is made or a unanimous Written Consent.

ARTICLE 9
CHANGE IN CONTROL

9.1 Assumption or Substitution of Outstanding Awards. If a Change in Control occurs, the parties may agree that outstanding Awards shall be assumed by, or converted into a substitute award for or with respect to shares of common stock of, the successor or acquiring company (or a parent company thereof) on an economically equivalent basis. The vesting and other terms of any such assumed or substitute award shall be substantially the same as the vesting and other terms and conditions of the original Award, provided that (a) if the assumed or substituted Award is an Option or SAR, the number of shares and Exercise Price shall be adjusted in accordance with the principles set forth in Sections 1.424-1(a)(5) and 1.409A-1(b)(5)(v)(D) of the Treasury regulations, and (b) if the assumed or substituted Award is not an Option or SAR, the number of shares covered by the assumed or substitute Award will be based upon the Change in Control transaction value of the Company's outstanding Shares. If the original Award is subject to the satisfaction of any performance conditions, then, unless the Committee determines otherwise, such performance conditions shall be deemed to have been satisfied at the target performance level for purposes of determining the extent to which the Award is earned. If, within two years following a Change in Control, a Participant's employment or other service terminates due to the Participant's death or Disability or is terminated by the Company or a successor or acquiring company (or any of its or their affiliates) without Cause or by the Participant for Good Reason, then any outstanding assumed or substitute Awards held by such terminated Participant shall immediately be fully vested, and any outstanding assumed or substitute Options and SARs will remain outstanding for 180 days after such termination of employment (or, if earlier, until the expiration of their original stated terms).

9.2 Awards Not Assumed or Substituted. If a Change in Control occurs and if the parties do not agree that an outstanding Award shall be assumed or substituted by the successor or acquiring company (or a parent company thereof) pursuant to Section 9.1, then such Award will be deemed fully vested and any performance conditions applicable to such Award will be deemed satisfied at the target performance level for purposes of determining the extent to which the Award is earned. Each such Award shall be cancelled immediately prior to the effective time of the Change in Control in exchange for an amount equal to the per Share consideration received by the holders of outstanding Shares in the Change in Control transaction, reduced in the case of an Option or SAR by the Exercise Price for such Shares. No consideration will be payable in respect of the cancellation of an Option or SAR with an Exercise Price per Share that is equal to or greater than the value of the Change in Control transaction consideration per Share. The amount payable with respect to the cancellation of an outstanding Award pursuant to this section will be paid in cash, unless the parties to the Change in Control agree that some or all of such amount will be payable in the form of freely tradable shares of common stock of the successor or acquiring company (or a parent company thereof). Subject to Section 9.4, the

payments contemplated by this Section 9.2 shall be made upon at or as soon as practicable following the effective time of the Change in Control.

9.3 No Fractional Shares. In the event of an adjustment in the number of shares covered by any Award pursuant to the provisions hereof, any fractional shares resulting from such adjustment shall be disregarded, and each converted Award shall cover only the number of full shares resulting from the adjustment.

9.4 Section 409A. Notwithstanding anything to the contrary contained herein or in an Award Agreement, if a provision of the Plan or an Award Agreement would cause an acceleration of the vesting or payment of deferred compensation that is subject to Section 409A of the Code on account of the occurrence of a Change in Control, then such payment shall not be made unless such Change in Control constitutes a "change in ownership," "change in effective control" or "change in ownership of a substantial portion of the Company's assets" within the meaning of Section 409A of the Code or such accelerated vesting and/or payment may otherwise be made without violating Section 409A. Any payment that would have been made except for the application of the preceding sentence shall be made in accordance with the payment or settlement schedule that would have applied under the Award in the absence of a Change in Control.

ARTICLE 10
AMENDMENT AND TERMINATION

10.1 Amendment and Termination of the Plan. The Board, acting in its sole discretion, may amend the Plan at any time and from time to time and may terminate the Plan at any time. Plan amendments will be subject to approval by the Company's stockholders if and to the extent such approval is required in order to satisfy applicable law and/or stock exchange listing rules. If not sooner terminated, the Plan will terminate on the tenth anniversary of the date it is adopted by the Board.

10.2 Outstanding Awards. Except as specifically required or permitted by Article 9, no amendment of an Award Agreement, and no termination, amendment or modification of the Plan shall cause any then outstanding Award to be forfeited or altered in a material way that adversely affects a Participant's rights, unless the Participant consents thereto.

ARTICLE 11
TAX WITHHOLDING; SECTION 409A

11.1 Tax Withholding. As a condition of the exercise of any Award, the payment of cash or delivery of Shares pursuant to any Award, the lapse of restrictions or forfeiture conditions applicable to any Award or the settlement of any Award, or in connection with any other event that gives rise to a tax withholding obligation under applicable law on the part of the Company or an affiliate relating to an Award, the Committee shall require the Participant to remit to the Company or a Subsidiary an amount sufficient to satisfy such obligation. Whenever a cash payment is made pursuant to a Participant pursuant to an Award, the amount of such payment will be net of the amount of any corresponding tax withholding obligation.

11.2 Share Withholding. The Committee, in its sole discretion and pursuant to applicable law and such procedures as it may specify from time to time, may require or permit a Participant to satisfy a tax withholding obligation relating to an Award (in whole or in part) by (a) paying cash, (b) having the Company withhold cash or Shares that would otherwise be paid, issued or released pursuant to the Award, (c) delivering to the Company other Shares owned by the Participant, (d) by such other means as the Committee may determine, or (e) by any combination of the above. The amount of a Participant's withholding tax obligation that is satisfied in Shares (whether previously-owned or withheld from the Shares that would otherwise be issued or released) shall be based upon the Fair Market Value of the Shares on the date such Shares are delivered or withheld. In no event may Shares be used to satisfy more than the minimum amount of a Participant's tax withholding obligation.

11.3 Section 409A Compliance. It is intended that Awards made under the Plan, including any deferred payment or settlement terms and conditions shall be structured, applied and interpreted in a manner that is exempt from or in compliance with Section 409A of the Code. Without limiting the generality of the preceding sentence, if a Participant becomes entitled to payments (cash or Shares) under an Award on account of the "termination of the Participant's employment or other service" or words of like import, and if such payments constitute "deferred compensation" within the meaning of Section 409A of the Code, then (a) such termination of employment or service will not be deemed to have occurred unless and until the Participant incurs a "separation from service" within the meaning of Section 409A of the Code and the regulations issued thereunder, and (b) to the extent required by Section 409A of the Code, if the Participant is a "specified employee" within the meaning of Section 409A at the time of his or her separation from service, then such payment shall be delayed until the first business day after the expiration of six months following the date of the such separation from service or, if earlier, the date of the Participant's death. On the delayed payment date, the Participant (or the Participant's Beneficiary) will be entitled to receive a lump sum payment or distribution of the payments that otherwise would have been made during the period that such payments are delayed. Notwithstanding the foregoing, each Participant shall be solely responsible, and the Company shall have no liability to the Participant or otherwise, for or with respect to any taxes, acceleration of taxes, interest or penalties arising under Section 409A of the Code.

ARTICLE 12
MISCELLANEOUS

12.1 Non-Transferability. Except as otherwise specifically permitted by the Plan or the applicable Award Agreement, no Award shall be assignable or transferable except upon the Participant's death to his or her "beneficiary" (as defined below), and, during a Participant's lifetime, an Option or SAR may be exercised only by the Participant or the Participant's guardian or legal representative. Notwithstanding the foregoing, subject to the consent of the Committee (which it may grant, condition or deny in its sole discretion for any or no reason), a Participant may make an inter vivos transfer of an Option (other than an ISO) or an SAR to any "family member" (within the meaning of Item A(1)(a)(5) of the General Instructions to SEC Form S-8 or a successor), including, without limitation, to one or more trusts, partnerships, limited liability

companies and other entities which qualify as family members, provided that such transfer is not a transfer for value or is a transfer for value that the Committee determines is for estate planning purposes. For the purposes hereof, a Participant's "beneficiary" is any person or entity (including, without limitation, a trust or estate) designated in writing by a Participant to succeed to the Participant's Award(s) upon the Participant's death, subject to the provisions hereof and of the applicable Award Agreement(s). A Participant may designate a beneficiary by delivering a written beneficiary designation to the Committee (or its designee) in such form and in such manner as the Committee (or its designee) may prescribe. Each beneficiary designation duly filed with the Committee (or its designee) will have the effect of superseding and revoking any prior beneficiary designation. If a Participant does not designate a beneficiary, or if no designated beneficiary survives the Participant, then the Participant's estate will be deemed to be his or her beneficiary. The term "Participant," as used herein, shall be deemed to include the Participant's beneficiary if and to the extent the context requires.

12.2 Successors. All obligations of the Company with respect to Awards granted under the Plan shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

12.3 Legal Construction. If any provision of the Plan shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

12.4 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

12.5 Sub-Plans. The Committee may from time to time establish sub-plans under the Plan for purposes of satisfying securities, tax or other laws of any foreign jurisdictions that may apply to Participants who receive Awards. Any such sub-plan shall contain such limitations and other terms and conditions as the Committee determines are necessary or desirable and shall be in such form (including, without limitation, as an Appendix to the Plan) as the Committee deems appropriate. Each sub-plan shall be deemed a part of the Plan, but shall apply only to the Participants who are subject to the laws of the jurisdiction to which the sub-plan relates.

12.6 Uniformity Not Required. The provisions of the Award Agreements need not be uniform among all Awards, among all Awards of the same type, among all Awards granted to the same Participant, or among all Awards granted at the same time.

12.7 Claw Back Conditions. Notwithstanding anything to the contrary contained herein or in an Award Agreement, Awards and benefits otherwise provided by Awards made under the Plan shall be subject to the Company's incentive compensation claw back policies as in effect from time to time, and, as applicable, the claw back requirements of the Dodd-Frank Act Section 954.

12.8 Limitation of Rights. The Plan shall not interfere with or limit in any way the right of the Company or of any Subsidiary to terminate any person's employment or other service at any time, and the Plan shall not confer upon any person the right to continue in the employ or other service of the Company or any Subsidiary. No employee, director or other person shall have any right to be selected to receive an Award or, having been so selected, to be selected to receive a future Award.

12.9 Decisions and Determinations Final. All decisions and determinations made by the Board pursuant to the provisions hereof and, except to the extent rights or powers under the Plan are reserved specifically to the discretion of the Board, all decisions and determinations of the Committee, shall be final, binding and conclusive on all persons.

12.10 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the State of Delaware (without regard to the legislative or judicial conflict of laws rules of any state).

DENTSPLY SIRONA Inc.

Computation of Ratios of Earnings to Fixed Charges

Exhibit 12.1

(in millions except ratios)	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Consolidated Earnings:					
Pre-tax income from continuing operations before adjustment for income or loss from equity interests	$ 440.9	$ 329.7	$ 404.4	$ 369.3	$ 330.7
Add fixed charges computed below	58.3	83.8	69.7	72.7	82.2
Net adjustments for capitalized interest	0.1	0.1	0.1	0.1	—
Consolidated Earnings Available for Fixed Charges	$ 499.3	$ 413.6	$ 474.2	$ 442.1	$ 412.9
Consolidated Fixed Charges:					
Interest expense per financial statements (a)	$ 35.9	$ 55.9	$ 46.9	$ 49.6	$ 56.9
Interest expense - capitalized	0.3	0.6	0.2	0.2	0.1
Amortization of deferred financing	4.5	11.3	4.6	5.0	7.0
One-third of rental expense representing reasonable approximation of the interest factor	17.6	16.0	18.0	17.9	18.2
Consolidated Fixed Charges	$ 58.3	$ 83.8	$ 69.7	$ 72.7	$ 82.2
Consolidated Ratio of Earnings to Fixed Charges	8.56	4.94	6.80	6.08	5.02

(a) Does not include interest related to uncertain tax positions.

Exhibit 21.1

Subsidiaries of DENTSPLY SIRONA Inc. (the "Company") - December 31, 2016

1. Advanced Technology Research SRL (Italy)
2. Arges Imaging, Inc. (Delaware)
3. CCRI, Inc. (Delaware)
4. Ceramco Manufacturing B.V. (Netherlands)
5. D Luxembourg Sarl (Luxembourg)
6. DeguDent GmbH (Germany)
7. Dencril Comércio de Plásticos, Importação e Exportação Ltda. (Brazil)
8. Dental Implant Training Center Corp. (New Jersey)
9. Dentbras Indústria, Comércio, Importação e Exportação de Produtos Odontológicos Ltda. (Brazil)
10. Dentsply (Australia) Pty. Ltd. (Australia)
11. Dentsply (N.Z.) Limited (New Zealand)
12. Dentsply (Philippines) Inc. (Philippines)
13. Dentsply (Singapore) Pte. Ltd. (Singapore)
14. Dentsply (Thailand) Ltd. (Thailand)
15. Dentsply (Tianjin) International Trading Co. Ltd. (China)
16. Dentsply Acquisition S.a.r.l. (Luxembourg)
17. Dentsply Acquisition US LLC (Delaware)
18. Dentsply Argentina S.A.C.e.I. (Argentina)
19. Dentsply Asset Management GmbH & Co. KG (Germany)
20. Dentsply AT Sarl (Luxembourg)
21. Dentsply Benelux B.V. (Netherlands)
22. Dentsply Benelux Sarl (Luxembourg)
23. Dentsply BI Ltd. (Ireland)
24. Dentsply BX Sarl (Luxembourg)
25. Dentsply Canada Ltd. (Canada)
26. Dentsply CE S.a.r.l. (Luxembourg)
27. Dentsply CH Sarl (Luxembourg)
28. Dentsply Dental (Tianjin) Co. Ltd. (China)
29. Dentsply Dental GmbH (Germany)
30. Dentsply Dental S.a.r.l. (Luxembourg)
31. Dentsply DeTrey GmbH (Germany)
32. Dentsply DeTrey Sarl (Switzerland)
33. Dentsply Deutschland GmbH (Germany)
34. Dentsply Europe S.a.r.l. (Luxembourg)
35. DENTSPLY Finance Co. (Delaware)
36. Dentsply GAC Europe SAS (France)
37. Dentsply Germany GmbH (Germany)
38. Dentsply Germany Holdings GmbH (Germany)
39. Dentsply Germany Investments GmbH (Germany)
40. Dentsply Holdings S.a.r.l. (Luxembourg)
41. Dentsply Holdings Unlimited (U.K.)
42. Dentsply Iberia S.A. (Spain)
43. Dentsply IE Ltd. (Ireland)
44. Dentsply IH A/S (Denmark)
45. Dentsply IH AB (Sweden)

46. Dentsply IH AS (Norway)
47. Dentsply IH GmbH (Austria)
48. Dentsply IH GmbH (Germany)
49. Dentsply IH Holdings GmbH (Germany)
50. Dentsply IH Inc. (Delaware)
51. Dentsply IH LLC(Russia)
52. Dentsply IH Ltd (UK)
53. Dentsply IH Oy (Finland)
54. Dentsply IH Pty. Ltd. (Australia)
55. Dentsply IH S.A. (Switzerland)
56. Dentsply IH SP.z.o.o (Poland)
57. DENTSPLY Implants (China) Co. Limited (Hong Kong)
58. DENTSPLY Implants (HK) Co. Limited (Hong Kong)
59. Dentsply Implants Manufacturing GmbH (Germany)
60. Dentsply Implants NV (Belgium)
61. Dentsply Implants Taiwan Co, Ltd. (Taiwan)
62. Dentsply Implants Turkey (Turkey)
63. Dentsply India Pvt. Ltd. (India)
64. Dentsply Industria e Comercio Ltda. (Brazil)
65. Dentsply Israel Ltd. (Israel)
66. Dentsply Italia SrL (Italy)
67. Dentsply Korea Limited (Korea)
68. Dentsply Limited (Cayman Islands)
69. Dentsply LLC (Delaware)
70. Dentsply Mexico S.A. de C.V. (Mexico)
71. DENTSPLY North America LLC (Delaware)
72. Dentsply Peru SAC (Peru)
73. Dentsply Prosthetics Austria GmbH (Austria)
74. DENTSPLY Prosthetics U.S. LLC (Delaware)
75. Dentsply RU Limited Liability Company (Russia)
76. Dentsply Russia Limited (U.K.)
77. Dentsply Sarl (Luxembourg)
78. Dentsply SE Sarl (Luxembourg)
79. Dentsply Services (Switzerland) S.a.r.L. (Switzerland)
80. Dentsply Sirona France S.A.S. (France)
81. Dentsply Sirona Malaysia Sdn Bhd (Malaysia)
82. Dentsply Sirona Switzerland Sarl (Switzerland)
83. Dentsply Sirona Vietnam Company Limited (Vietnam)
84. Dentsply Sirona South Africa (Proprietary) Limited (South Africa)
85. Dentsply Sweden AB (Sweden)
86. Dentsply Ukraine LLC (Ukraine)
87. Dentsply US Inc. (Delaware)
88. DENTSPLY-Sankin K.K. (Japan)
89. Ducera Dental Verwaltungs GmbH (Germany)
90. Durango Bensheim GmbH & Co. KG (Germany)
91. Durango Bensheim Verwaltungs GmbH (Germany)
92. E.S. Healthcare NV (Belgium)
93. E.S. Tooling NV (Belgium)
94. FONA Dental s.r.o. (Slovakia)
95. FONA Dental Systems Co., Ltd. (China)
96. FONA s.r.l. (Italy)

97. Futuredontics, Inc. (California)
98. GAC (International) Pty Ltd (Australia)
99. GAC Deutschland GmbH (Germany)
100. GAC International Asia Pte. Ltd. (Singapore)
101. GAC International LLC (Delaware)
102. GAC Ortho AS (Norway)
103. GAC SA (Switzerland)
104. infiniDent Services GmbH (Germany)
105. Infinident, Inc. (Delaware)
106. JCM International Inc. (Delaware)
107. M Guide Dental Laboratory LLC (New Jersey)
108. Maillefer Instruments Consulting S.a.r.l. (Switzerland)
109. Maillefer Instruments Holding S.a.r.l. (Switzerland)
110. Maillefer Instruments Manufacturing S.a.r.l. (Switzerland)
111. Maillefer Instruments Plus Sarl (Switzerland)
112. Maillefer Instruments Trading S.a.r.l. (Switzerland)
113. Medical 3 Importacion Service Iberica SL (Spain)
114. Megalopolis Dental S.A. de C.V. (Mexico)
115. MHT Optic Research AG (Switzerland)
116. MHT S.p.A. (Italy)
117. MIS Asia Pacific Limited (Hong Kong)
118. MIS Belgium SA (Belgium)
119. MIS Germany GmbH (Germany)
120. MIS Implants B.V. (Netherlands)
121. MIS Implants Technologies France SRL (France)
122. MIS Implants Technologies GmbH (Germany)
123. MIS Implants Technologies HK Limited (Hong Kong)
124. M.I.S. Implants Technologies Inc. (New Jersey)
125. MIS Implants Technologies Ltd. (Israel)
126. MIS Implants Technologies UK Limited (UK)
127. Nectar Imaging s.r.l. (Italy)
128. Oasis Dis Ticaret Anonim Sirketi (Turkey)
129. Oasis Medikal Urunler Kimya Turizm Sanayi Ve Ticaret Anonim Sirketi (Turkey)
130. Ortho Concept Sarl (France)
131. Orthodental International, Inc. (California)
132. Orthodental S.A. de C.V. (Mexico)
133. Osteointegration Materials LLC (Delaware)
134. Planer Dentaprise GmbH (Austria)
135. Prident (Shanghai) Dental Medical Devices Co., Ltd. (China)
136. Prident International, Inc. (California)
137. PT Dedent Supply (Indonesia)
138. PT Dentsply Indonesia (Indonesia)
139. Qi An Hua Rui (Beijing) Technology Ltd. (China)
140. Raintree Essix Inc. (Delaware)
141. Ransom & Randolph Company (Delaware)
142. Shenzen Mi Yi Shi Commerce Company Ltd (China)
143. SiCAT GmbH & Co. KG (Germany)
144. SiCAT Verwaltungs GmbH (Germany)
145. Sirona Bermuda I Ltd. (Bermuda)
146. Sirona Bermuda II Ltd. (Bermuda)
147. Sirona Dental a/s (Denmark)

148. Sirona Dental Comércio de Produtos e Sistemas Odontológicos Ltda. (Brazil)
149. Sirona Dental GmbH (Austria)
150. Sirona Dental Limited Sirketi (Turkey)
151. Sirona Dental Mexico S. de R.L. de C.V. (Mexico)
152. Sirona Dental Services GmbH (Germany)
153. Sirona Dental Systems (Foshan) Co., Ltd. (China)
154. Sirona Dental Systems (HK) Ltd. (Hong Kong)
155. Sirona Dental Systems Co., Ltd (Thailand)
156. Sirona Dental Systems GmbH (Germany)
157. Sirona Dental Systems Inc. (Delaware)
158. Sirona Dental Systems K.K. (Japan)
159. Sirona Dental Systems Korea, Ltd. (South Korea)
160. Sirona Dental Systems Ltd. (United Kingdom)
161. Sirona Dental Systems O.O.O. (Russia)
162. Sirona Dental Systems Private Ltd. (India)
163. Sirona Dental Systems Pte. Ltd (Singapore)
164. Sirona Dental Systems Pty. Ltd. (Australia)
165. Sirona Dental Systems s.r.l. (Italy)
166. Sirona Dental Systems SAS (France)
167. Sirona Dental Systems South Africa (Pty) Ltd. (South Africa)
168. Sirona Dental Systems Trading (Shanghai) Co., Ltd. (China)
169. Sirona Dental Systems Trading, LLC (United Arab Emirates)
170. Sirona Dental, Inc. (Delaware)
171. Sirona Holding GmbH (Austria)
172. Sirona Immobilien GmbH (Germany)
173. Sirona Technologie GmbH & Co. KG (Germany)
174. Sirona Verwaltungs GmbH (Germany)
175. The Dental Trading Co., Ltd. (Thailand)
176. Tulsa Dental Products LLC (Delaware)
177. Tulsa Luxembourg LLC (Delaware)
178. Tuzodent S.A. de C.V. (Mexico)
179. VDW GmbH (Germany)
180. VIPI Indústria, Comércio, Exportação e Importação de Produtos Odontológicos Ltda. (Brazil)
181. VPN Administração e Participações S.A. (Brazil)
182. Zhermack GmbH (Germany)
183. Zhermack SpA (Italy)
184. Zhermack, Inc. (Nevada)
185. Zhermapol SP Zoo (Poland)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-209791, 333-167410 and 333-101548) of Dentsply Sirona Inc. of our report dated March 1, 2017 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP
Harrisburg, Pennsylvania
March 1, 2017

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey T. Slovin, certify that:

1. I have reviewed this Form 10-K of DENTSPLY SIRONA Inc;

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 officers 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 officers 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.

/s/ Jeffrey T. Slovin

Jeffrey T. Slovin
Chief Executive Officer

Date: March 1, 2017

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ulrich Michel, certify that:

1. I have reviewed this Form 10-K of DENTSPLY SIRONA Inc;

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 officers 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 officers 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.

/s/ Ulrich Michel

Ulrich Michel
Executive Vice President and Chief Financial Officer

Date: March 1, 2017

Exhibit 32

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of DENTSPLY SIRONA Inc. (the "Company") on Form 10-K for the year ending December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), We, Jeffrey T. Slovin, Chief Executive Officer of the Company and Ulrich Michel, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge and belief:

(1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company as of the date of the Report.

/s/ *Jeffrey T. Slovin*

Jeffrey T. Slovin
Chief Executive Officer

/s/ *Ulrich Michel*

Ulrich Michel
Executive Vice President and Chief Financial Officer

Date: March 1, 2017